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Friday
4th September, 1953

PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

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(Part I—Questions and Answers)

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THE
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(Part I—Questions and Answers)
OFFICIAL REPORT

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Friday, 4th September, 1953.

The House met at a Quarter Past Eight of the Clock.

[MR. DEPUTY-SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

CURRENCIES

*1015. **Dr. M. M. Das:** Will the Minister of Finance be pleased to state:

(a) whether the French and Portuguese possessions in India and Sikkim and Bhutan have their own currencies;

(b) if so, whether the "Foreign Exchange Control Order" also applies to those currencies; and

(c) whether the market exchange rates of each of those foreign currencies with the Indian currency differ from the official rates?

The Parliamentary Secretary to the Minister of Finance (Shri B. R. Bhagat): (a) With the exception of Sikkim, all these territories have their own currencies. However, the Indian rupee also circulates freely in all these territories along with their local currencies.

(b) There is no exchange control between India and any of these territories.

(c) No official rates of exchange between the Indian rupee and the currencies of these territories have been fixed. The rates of exchange are determined by supply and demand.

Dr. M. M. Das: In reply to part (b) of my question my friend has said that the Indian currency runs freely in these territories. May I know then whether with the devaluation of the Indian currency the currencies of these parts of India were also devaluled?

Shri B. R. Bhagat: I cannot say accurately whether officially they have devalued or not but as there is no exchange control between India and these countries normally they follow the principle of supply and demand. Actually, you know, they have devalued their currency to the same extent as the Indian currency has come down.

Dr. M. M. Das: May I know, Sir, the usual channel of exchage of the Indian currency into the currencies of these parts of India and the currencies prevailing in these parts into Indian currency. Do they take place in the usual manner as is done among the currencies of sterling areas, or differently?

Shri B. R. Bhagat: I could not exactly follow what the hon. Member means by this long question!

Dr. M. M. Das: What is the normal channel of exchange between the two currencies?

Shri B. R. Bhagat: I can only say that almost the entire internal trade in these parts is conducted in Indian Rupees and the people of these territories buy all their normal requirements of essential consumer goods in Indian currency.

Shri U. M. Trivedi: Is it a fact that Indian currency is practically used in these parts?

Shri B. R. Bhagat: Yes. Sir.

Shri Heda: The Minister has stated that there is no fixed rate of exchange ratio between the Indian currency and the currencies of these territories. What was the highest and the lowest ratio, say during the last one year?

Shri B. R. Bhagat: Sir, generally the authorities in these parts try to maintain parity with the Indian Rupee.

Kumari Annie Mascarene: May I know, Sir, whether the metallic value of the currency is higher in India or it is otherwise; and whether they have got paper currency as ours?

Shri B. R. Bhagat: They have paper currency. I do not know what the hon. Lady Member means by metallic value. In actual exchange they are on parity.

Dr. M. M. Das: Sir. may I know whether the foreign trade of Bhutan and these parts of the country is carried on in close collaboration with India or independently of India?

Shri B. R. Bhagat: Because of the close geographical and traditional unity which exists between the two countries all their trade is through India.

TRAINING FACILITIES FOR NAVY AND AIR FORCE

***1016. Shri M. L. Dwivedi:** Will the Minister of **Defence** be pleased to state:

(a) whether any scheme for the establishment of training schools for the Navy and Air Force, personnel which used to be trained in England previously, has been drawn up by Government; and

(b) how many such schools are to be established in the initial stage, particularly within the period of the Five Year Plan?

The Deputy Minister of Defence (Sardar Majithia): (a) *Air Force.* Practically all the flying and ground training courses required for the IAF have by now been established in India. Only a small number of personnel approximately 3 to 5 per cent. of the total required to be trained, are sent overseas to undergo a few higher specialist courses. 5 Flying and 7 Ground Training Schools have been established since partition.

Navy. Yes. Eighteen schools have been established for training of I.N. personnel since partition.

(b) *Air Force.* It is proposed to start the following additional Courses in India during the period covered by the Five Year Plan:—

(i) Pilot Attack Instructors Course.

(ii) Ground/Air Warfare Course.

(iii) Advanced Navigation Course.

(iv) Photographic Interpretation Course.

Navy. One, *viz.* School for petty Officers at Cochin.

श्री एम० एल० द्विवेदी : क्या माननीय मंत्री जी बतलायेंगे कि जितने शिक्षार्थियों को ट्रेनिंग देने के लिये अभी स्कूलों की व्यवस्था है वह अपनी जरूरियात के लिये काफ़ी है, और अगर नहीं तो कब तक हम इस हद तक पहुंच जायेंगे कि हमारी जरूरियात पूरी होने लगें ?

Sardar Majithia: As I have already stated, it is only 3 per cent to 5 per cent of the total number that we train that go abroad and that too for only higher courses, and naturally it is not quite proper to start a course with one or two officers; because of the overall increase in the cost to such a tremendous amount. it is not really right to spend that money in India.

श्री एम० एल० द्विवेदी : जो अभी तीन अफ़सर हिन्दुस्तान से बाहर भेजे गये हैं, यूनाइटेड किंगडम, शिक्षा के लिये, नौ

महीने के लिये, क्या वह इसी योजना के अन्तर्गत हैं या किसी दूसरी योजना के अन्तर्गत हैं, और अगर किसी दूसरी योजना के अन्तर्गत हैं तो जो इस योजना के अन्तर्गत विदेशों में भेजे जायेंगे उनके लिये क्या प्रबन्ध है ?

Sardar Majithia: I do not know which three officers the hon. Member is referring to. Civil Aviation? That is not my question. That is for the Minister for Communications to reply.

पंडित सी० एन० मालवीय : पिछली लड़ाई में भोपाल का एअरोड्रोम एअरफ़ोर्स के लिये एक ट्रेनिंग सेंटर रहा है। क्या सरकार ने इस एअरोड्रोम को स्कूल के लिये काम में लाने पर ग़ौर किया है और अगर उसको रिजेक्ट कर दिया है तो उसकी क्या वजह है, और क्या अब यह सरकार के ज़ेरग़ौर है कि भोपाल का एअरोड्रोम जो कि एक अच्छा एअरोड्रोम है और अब ख़राब होता जा रहा है उसको फिर से ठीक करके काम में लाया जाय ?

Mr. Deputy-Speaker: What is this question-hour? Because they have an opportunity to stand, hon. Members go on putting fifty questions.

पंडित सी० एन० मालवीय : मेरा सवाल यह है कि भोपाल के एअरोड्रोम के लिये क्या किया जा रहा है ?

उपाध्यक्ष महोदय : इस सवाल के एक हिस्से का जवाब देना चाहिये ।

Sardar Majithia: I would respectfully submit that by no stretch of imagination does this supplementary relate to this question. But as the hon. Member is rather keen, I would only state this much that it is after the greatest care and deliberation that we choose sites which are suitable for these schools. It is quite true that there are possibly thousands of aerodromes like Bhopal in India and naturally we cannot establish schools in every one of them.

Shri Punnoose: The hon. Minister refers to a school in Cochin for petty officers. May I know, Sir, the capacity of that school, how many are under training now and also what is the duration of the courses and also whether there is any foreign national on the staff of that school?

Sardar Majithia: For the information of my hon. friend I may say that in Cochin there is not one but several schools.

Shri Punnoose: I want the particulars of the courses.

Sardar Majithia: The courses vary from six months to one and a half years.

सेठ गोविन्द दास : अभी माननीय मंत्री जी ने यह कहा कि बाहर शिक्षा के लिये सिर्फ तीन से पांच तक आदमी भेजे जाते है । तो क्या इस बात का ध्यान रखा जाता है कि बाहर सिर्फ़ ऐसी ही शिक्षा के लिये आदमी भेजे जायं कि जो हिन्दुस्तान में नहीं दी जा सकती, और क्या इस बात की कोई शिकायत माननीय मंत्री जी के पास आयी है कि ऐसी शिक्षा के लिये भी लोग बाहर भेजे जाते हैं जो कि भारत वर्ष में दी जा सकती है ?

Sardar Majithia: There is no such case as is referred to by my hon. friend. It is only those people who cannot get training here in India that are sent overseas. I have already referred to that in the answer, that it is only for higher specialist courses for which we have no facilities in India that we send the people overseas, for instance, the command courses.

Shri Basappa: What is the cost involved for training in each of the schools and how much is borne by the State and how much is borne by the students concerned?

Sardar Majithia: I am afraid I have not got those figures and besides it will not be in the public interest to disclose them.

Kumari Annie Mascarene: The question put by my friend on this side whether there are any foreign personnel in Cochin was not answered.

Sardar Majithia: I am sorry I missed that question altogether. There are certain persons belonging to other nationalities who are instructors at Cochin.

Fundamental Education Training Centre

***1017. Shri M. L. Dwivedi**: (a) Will the Minister of **Education** be pleased to state whether in pursuance of the Government of India's acceptance of the U.N.E.S.C.O.'s proposal mooted at the Seventh General Conference for locating one Centre for imparting training in Fundamental Education in India, any steps have been taken so far to open it?

(b) If so, where?

(c) What will be the capacity in which the trainees will be admitted?

(d) Who can seek admission for such training?

(e) What is the object of the training?

The Minister of Rehabilitation (Shri A. P. Jain): (a) Yes.

(b) Mysore.

(c) Training facilities will be available only to those who are offered fellowships by U.N.E.S.C.O., U.N.O. and other Specialized Agencies.

(d) The candidates for fellowships should be within the age limit of 21 to 29 years, graduates and should have done some practical work in fields relevant to fundamental education.

(e) The Centre is designed to provide training for specialists in fundamental education with a view to their employment in U.N.E.S.C.O.'s projects in the world.

श्री एम० एल० द्विवेदी: मैं यह जानना चाहता हूं कि मैसूर में यह जो केन्द्र खुला है, इसमें जो शिक्षा दी जाती है, वास्तव में उस शिक्षा द्वारा क्या क्या चीजें सिखलायी जाती हैं और उसमें कितने विद्यार्थी शिक्षा पा रहे हैं ?

श्री ए० पी० जैन: यह केन्द्र जो खोला जा रहा है, नवम्बर के महीने से शुरु होगा, उसमें विद्यार्थियों की संख्या २० होगी और इसमें जनरल एज्यूकेशन दी जायगी कि जिसकी मंशा यह होगी कि जिन लोगों ने मामूली शिक्षा नहीं पाई है, जो साधारण समस्यायें हैं, समाज की, उनके सम्बन्ध में क्या करना चाहिये, क्या नहीं करना चाहिये और किस तरह से वह एक अच्छे नागरिक और व्यक्ति के रूप में कार्य कर सकते हैं, यह सब बातें उनको सिखायी जायेंगी, लोगों को ट्रेनिंग दी जा रही है कि वह इस प्रकार की शिक्षा दें ।

श्री एम० एल० द्विवेदी: मैं यह जानना चाहता हूं कि इस केन्द्र के खोलने में कितना व्यय U.N.E.S.C.O ने किया है और कितना भारत सरकार ने किया है ?

श्री ए० पी० जैन: भारत सरकार ने कोई खर्च नहीं दिया है, सब खर्चा U.N.E.S.C.O. ने दिया है, बजट उनके पास है, हमें उसके बारे में कोई इत्तिला नहीं है, अलबत्ता दो या चार विद्यार्थी जिनको फ़ैलोशिप नहीं मिली होगी, हमें उनको भेजने का अधिकार होगा और उस पर ख़र्चा लगभग १२ हज़ार के होगा ।

श्री एम० एल द्विवेदी: ऐसे शिक्षार्थियों का सेलेक्शन करनें का क्या तरीक़ा है और यह सेलेक्शन कौन करता है ?

Mr. Deputy-Speaker: The hon. Member goes on like a torrent or a volcano. Shrimati Tarkeshwari Sinha.

Shrimati Tarkeshwari Sinha: May I know whether the U.N.E.S.C.O. have sent here some of their experts to give this system of education, and if so, how many?

Shri A. P. Jain: The UNESCO is sending one foreign expert and two Indian experts are going to be employed.

Shrimati Jayashri: May I know the period for which the training is given?

Shri A. P. Jain: Nine months.

Shri T. S. A. Chettiar: Will this centre be working for only one year or for two or more years?

Shri A. P. Jain: It has been started and I hope it will continue.

Shrimati Renu Chakravartty: Does the Government contemplate employing them as teachers in the special subjects—what is the object?

Shri A. P. Jain: The primary object of giving training is to train personnel for employment with the UNESCO from countries other than those receiving technical assistance in fundamental education. Besides that, if any student shows a special aptitude, he may be given further specialist training in fundamental education or, in exceptional cases, he may be employed for giving practical training for junior specialist courses in international projects of fundamental education.

सेठ गोविन्द दास: इस केन्द्र की शिक्षा का जो पाठ्यक्रम है, वह किसने निर्णय किया है और इस सम्बन्ध में क्या विदेशी और भारतीय दोनों जगह के विशेषज्ञों से कोई सलाह ली गयी थी ?

श्री ए० पी० जैन: यह तो UNESCO का बनाया हुआ केन्द्र है, वही खर्चा दे रहे हैं, उन्होंने इस प्रकार का प्रयोग दुनिया के और हिस्सों में भी किया है और वह इसका तमाम कार्येक्रम बना रहे हैं ।

सेठ गोविन्द दास: में यह जानना चाहता था कि इसके पाठ्यक्रम में भारतीय परिस्थिति के अनुसार कुछ चीजें रहें, इसके लिये भारत से भी कुछ सलाह ली गयी है ?

श्री ए० पी० जैन: जब यह भारत में बन रहा है, तो भारत की सलाह तो इसमें होगी ही ।

Shri Punnoose: Have the Government or the UNESCO undertaken to employ these students when once they are trained, or are they going to be enlisted into the army of the unemployed?

Shri A. P. Jain: Surely, nobody is receiving training to be enlisted in the army of the unemployed.

Shri Punnoose: May I know whether the Government of India or the UNESCO has undertaken the employment of these people after they are trained?

Mr. Deputy-Speaker: Why should hon. Members add on ironical questions? Hon. Members only want to elicit answers. Ironical expressions may be avoided. Naturally, the Ministers are unwilling to answer such questions. Hon. Member only wants to know whether there is any arrangement by which these people can be absorbed in the public services.

Shri A. P. Jain: I have already answered that question in reply to the question put by Mrs. Renu Chakravartty.

श्री हेडा: समस्या की विशालता और विस्तार को देखने के बाद क्या यह बीस शिक्षार्थियों की संख्या बहुत अल्प मालूम नहीं होती है, और इसको बढ़ाने के सम्बन्ध में गवर्नमेंट कुछ सोचेगी, या छोड़ देगी ?

श्री ए० पी० जैन: गवर्नमेंट ने इसके सम्बन्ध में सोचा है और यह तय किया है दो से चार तक भारत सरकार विद्यार्थी भेजने का विचार कर रही है और उनका खर्चा भारत सरकार खुद बर्दाश्त करेगी ।

Shri Madiah Gowda: May I know how many trainees will be selected from India?

Shri A. P. Jain: Two. The Committee will be set up by the Government of India on whose recommendation the final selection will be made by the UNESCO.

Shri Achuthan: May I know whether the trainees will be attached to Universities or the secondary schools for training?

Shri A. P. Jain: I have already answered that question.

INCOME-TAX EVADERS

***1018. Dr. M. M. Das:** Will the Minister of Finance be pleased to state:

(a) whether Government have finally decided the question of disclosing the names of the Income-tax evaders as recommended by the Income-tax Investigation Commission; and

(b) if so, when the names are going to be disclosed?

The Deputy Minister of Finance (Shri M. C. Shah): (a) and (b). Under the existing law no such disclosure is permissible. The question whether the law should be amended or not has not been finally decided.

Dr. M. M. Das: In view of the fact that the Income-tax Investigation Commission made their recommendation in the year 1951, what are the reasons for Government taking so much time to decide the question finally as to whether the law should be amended if necessary, or not?

Shri M. C. Shah: In the year 1951, in the Income-tax Amending Bill, this provision was made. It lapsed. And later on, we had to put in an amending Bill which was not controversial so as to get it passed immediately. So, this has not been taken up.

Kumari Annie Mascarene: May I know, Sir, in how many cases action has been taken against evaders during the year 1952-53?

Shri M. C. Shah: Whenever we find that some income was concealed and it was found out, then, all penalties as provided for in the Act were levied.

Mr. Deputy-Speaker: She wants to know the number of cases where action has been taken.

Shri M. C. Shah: It will be very difficult to give the number because it will involve great labour to collect the figures.

Kumari Annie Mascarene: What is the number for 1951 to 1952?

Mr. Deputy-Speaker: Those cases which have come up before the Investigation Commission? Now the question relates to the Income-tax Investigation Commission.

The question relates to generally Income-tax evaders. Does not the hon. Minister know the number of cases disposed of during the last year?

Shri M. C. Shah: I have got the number of cases disposed of till now: settlement cases plus disposal cases. That comes to about 893. In the settlement cases penalties as recommended by the Commission were levied; also in the Investigation cases numbering 178, penalties as recommended by the Commission were levied.

Dr. M. M. Das: In reply to a question, the hon. Minister said that in the previous Income-tax Amending Bill that had been introduced in this House, this provision for the disclosure of names of the tax evaders was there, but in the second Amending Bill which was passed in this House, this provision was omitted. What were the reasons for omitting this particular provision in the second Amending Bill which was passed in this House?

Shri M. C. Shah: I have already stated that the second Amending Bill was to be non-controversial in order to get it passed through both the Houses and therefore this was kept over for a comprehensive Bill to be introduced at a later stage.

Shri S. V. Ramaswamy: Could we have State-wise distribution of these Income-tax evaders?

Shri M. C. Shah: It is not possible; it will take time.

Mr. Deputy-Speaker: Next question.

VALUE OF CIGARETTES CONSUMED

*1019. **Prof. D. C. Sharma:** (a) Will the Minister of **Finance** be pleased to state the total value of cigarettes consumed in India during 1952-53?

(b) What is the value of the cigarettes manufactured in India during this period?

The Deputy Minister of Finance (Shri A. C. Guha): (a) Statistics of consumption are not available, but based on the quantity of cigarettes cleared from the Factories and the quantities imported from abroad, it is estimated that the total value of the cigarettes consumed in India during 1952-53 was Rs. 28·05 crores exclusive of duty and Rs. 35·50 crores inclusive of duty.

(b) The ex-duty value of cigarettes manufactured in India during 1952-53 was Rs. 30·24 crores and the cum-duty value of the same was Rs. 37·59 crores.

Prof. D. C. Sharma: May I know how many foreign firms are there in India that manufacture cigarettes? Do the Government of India or the people of India have any share in these firms?

Shri A. C. Guha: I have got with me the names of the companies that manufacture cigarettes. I think the Imperial Tobacco company is mostly financed by non-Indians and is also managed by non-Indian personnel. There are other companies. It is not possible for me to give a break up of the share capital of these companies. The other companies are: the Jubilee Cigarette Factory, Vazir Sultan Tobacco Company, National Tobacco Company and Godfrey Phillips.

Prof. D. C. Sharma: May I know what is the proportion between the foreign firms and Indian firms so far as the manufacture of cigarettes is concerned?

Shri A. C. Guha: As I have already stated, it is not possible for me to say. That question may be directed to the Commerce and Industry Ministry.

Shri S. V. Ramaswamy: In view of the increasing consumption of cigarettes, is it in the contemplation of the Government to pass an Act preventing juvenile smoking?

Shri A. C. Guha: That question may be directed to the Health Ministry.

सेठ गोविन्द दास: सन् १९५२-५३ में जो सिगरेट बाहर से इस देश में आई वे उस के पहले जो दो साल तक आई थीं, उन से ज्यादा थीं या कम थीं ?

Shri A. C. Guha: I think the quantity imported in 1950-51 was 49 million cigarettes; in 1951-52, 34 million cigarettes, and in 1952-53, 34 million cigarettes.

सरदार ए० एस० सहगल : क्या मंत्री महोदय यह बतलायेंगे कि विदेशी सिगरेट बनाने वाली कम्पनियों के कारण क्या यहां के जो सिगरेट बनाने वाले हैं उन का व्यापार दिन पर दिन गिरता जा रहा है और यदि हां तो उस को रोकने के लिये क्या सरकार कोई व्यवस्था करने का विचार कर रही है ?

Shri A. C. Guha: I think from the figures available with me I can say this: The greatest foreign company is the Imperial Tobacco company. Its percentage of production has been going down every year. In 1950-51, its percentage of production was 69 per cent.; in 1951-52, it was 62 per cent. and in 1952-53 it was 55 per cent. So, it may be presumed that the other companies being mostly Indian companies, their percentage of production has been increasing.

Shri T. S. A. Chettiar: May I take it that this does not include biri? Can he give us an indea of the consumption or *biri* in India?

Shri A. C. Guha: *Biri* is not included. I have not got the figures for *Biri*.

श्री टी० एन० सिंह: में यह जानना चाहता था कि इन कम्पनियों को बाहर रुपया भेजने का या रेमिटेंस करने का जो अधिकार है, इस पर कोई प्रतिबन्ध है या वे जितना चाहें उतना रुपया अपने प्राफ़िट में सें बाहर भेज सकती हें ?

Shri A. C. Guha: I think that is regulated by our Foreign capital policy of 1949.

Shri Nanadas: May I know whether any cigarettes were manufactured in Andhra where large quantities of Virginia tobacco is produced?

Shri A. C. Guha: I have no figures statewise.

Shri Muniswamy: May I know whether the hon. Minister is in a position to give a comparative idea whether the consumption of cigarettes or *biris* is increasing in the country?

Shri A. C. Guha: I would like to have notice.

Kumari Annie Mascarene: In view of the heavy consumption of cigarettes in the country, has Government any scheme of encouraging the indigenous manufacture of *biri*?

Shri A. C. Guha: That is already being manufactured on a large scale.

श्री एम० एल० द्विवेदी: में यह जानना चाहता हूं कि भारतीय सिगरेट को क्या कोई प्रोटैक्शन दे रखा है ? यदि नहीं दे रखा है, तो इस का क्या कारण है ?

Mr. Deputy-Speaker: We are not taking up the whole of the Finance Ministry.

Shri A. C. Guha: There is a heavy import duty on foreign cigarettes. I think a very negligible part of the cigarettes consumed in India is of foreign make.

Shri C. D. Pande: Negligible! It is Rs. 30 crores.

The Minister of Defence Organisation (Shri Tyagi): Including duty.

Dr. M. M. Das: What is the rate of import duty that has been imposed upon the import of cigarettes? Is there any difference between the rate of duty imposed on cigarettes and tobacco?

Mr. Deputy-Speaker: The hon. Minister need not answer this question. The hon. Member can look into the Tariff Act, First Schedule. What is the meaning of spending the time of the House on this? Next question.

YOUTH CAMPS AND LABOUR SERVICE FOR STUDENTS

***1020. Shri Dabhi:** Will the Minister of **Education** be pleased to state:

(a) whether it is a fact that the Five Year Plan provides Rupees one crore for assistance by the Central Government for youth camps and labour service for students;

(b) if so, whether any programme has been drawn up for the purpose; and

(c) if so, what programme has been drawn up in different States?

The Minister of Rehabilitation (Shri A. P. Jain): (a) Yes.

(b) A programme for the purpose is being drawn up in consultation with all concerned.

(c) Necessary information is awaited from the State Governments and will be laid on the Table of the House.

Shri Dabhi: When is the programme likely to be drawn up?

Shri A. P. Jain: Very soon.

Shri T. S. A. Chettiar: Since six months in the year have already passed, and sanction must be given if it is to be implemented in this year, may we know how much is expected to be spent this year?

Shri A. P. Jain: In fact, we have started some centres. They are already functioning. The scheme is being worked out in all its details.

Shri T. S. A. Chettiar: In how many provinces have they got schemes?

Shri A. P. Jain: One centre has already been started in Srinagar. Another centre is being set up in Bombay in co-operation with the Bombay University authorities. Two training schemes are in the process of being organised: one in Delhi and another in Belgaum.

Shri Dabhi: May I know the name of the centre in Bombay?

Shri A. P. Jain: I would like to have notice.

श्री एस० सी० सामन्त : विश्वविद्यालय, कालेज और स्कूलों के सिवा दूसरी जो प्राइवेट संस्थायें अगर यह काम करें तो क्या उन को मदद मिलेगी या नहीं ?

Shri A. P. Jain: Very probably those institutions will not be barred out, but nothing can be said with certainty until the scheme reaches its final shape.

Shrimati Renu Chakravartty: Are these youth camps and labour service schemes only for urban students, or are the schemes for the rural areas?

Shri A. P. Jain: So far as youth camps are concerned, admission to those is confined to senior students and lecturers from colleges etc. So far as labour training centres are concerned, there is no limitation as to whether the students should come only from the rural or urban area.

Shrimati Renu Chakravartty: Will these be training centres, or will they undertake certain schemes under the Five Year Plan, and will they be paid for?

Shri A. P. Jain: These are training centres where they will be given training in labour work.

Shri Nanadas: What are the considerations that weigh with the Selection Board while selecting students for these youth camps and labour service camps.

Shri A. P. Jain: The willingness and the enthusiasm of the person to work and to receive training.

Mr. Deputy-Speaker: Next question.

Shri K. P. Tripathi *rose.*—

Mr. Deputy-Speaker: We have already gone to the next question.

Shri Punnoose: Does the hon. Minister mean......

Mr. Deputy-Speaker: The hon. Minister means what he says.

Shri Punnoose: He said that the qualification is willingness to be trained. Does he mean that everybody who has willingness to be trained is selected?

Mr. Deputy-Speaker: Willingness to serve.

Shri Punnoose: He may clarify that point. I want to know whether by......

Mr. Deputy-Speaker: I am able to understand. How is it that the hon. Member wants clarification?

Ex-SERVICEMEN FOR NATIONAL EXTENSION SERVICE

***1021. Sardar A. S. Saigal:** (a) Will the Minister of **Defence** be pleased to state whether it is a fact that Government are contemplating to utilize *ex*-servicemen for the National Extension Service and Community Development Projects?

(b) How many applications have been received by Government from *ex*-servicemen so far?

(c) How many *ex*-servicemen will be required to work as *gram-sewaks* and what will be their duties?

(d) Will *ex*-Junior Commissioned Officers and Warrant Officers also be required on account of their experience in administrative duties?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes.

(b) About 3,000 applications have been received so far.

(c) It has been estimated by the Planning Commission that about 12,440 Gram-sewaks may be required during the next 3 years. It is considered that ex-servicemen will be very suitable for this type of work and the State Governments, who are responsible for the appointment of Gram-sewaks, have been requested to take advantage of the experience and organisational capacity of ex-servicemen and appoint them as Gram-sewaks wherever possible. Their duties will be:—

(i) To act as a link between the villagers and the Community Projects Administration and Departments dealing with the Rural Reconstruction.

(ii) To ascertain the requirements of the villagers, determine the improvements needed, arrange Technical assistance, organise the required labour and supervise the execution of the Projects.

(iii) To inspire in the people the desire for a better standard of living and to make them think, plan and act for themselves.

(d) Yes.

Mr. Deputy-Speaker: Regarding the previous question, I just thought about it. The hon. Member wanted some clarification as to whether people are selected at random or there are any minimum qualifications in all these cases, and some instructions are given to the persons who select. Therefore, when a question of that kind is put, I would urge upon the hon. Minister to say if there are any rules or regulations laying down the minimum qualification, the period of experience etc., instead of merely saying "their willingness to serve". Without willingness to serve, nobody can be appointed. Therefore, that will not be a qualification. In those circumstances, this leads to a lot of controversy. The spirit of the question may be understood, whatever may be the language in which it is put in a hurry. Of course, everybody is anxious to catch the eye of the Speaker and then put questions and put them as quickly as possible. Therefore, I would urge upon all hon. Members, as far as possible, to put their questions in a short compass, quickly and clearly. At the same time, Ministers ought not to stick exactly to the language of it, but understand the spirit. If they are able to answer, let them answer. Otherwise, let them say they are unable to answer. Otherwise, it creates a lot of heart-burning and creates the impression that they are trying to evade.

Shri Frank Anthony: Occupational disease!

The Minister of Rehabilitation (Shri A. P. Jain): When the previous question was put, I said only senior students and lecturers from colleges could be admitted to the youth camps. The only further criterion for selection would be the willingness to serve. The minimum qualification I had already stated.

Mr. Deputy-Speaker: He has possibly not noticed it. I also did not notice. Otherwise, I would have said it has been answered already.

Shri A. P. Jain: That is what I had in mind.

Mr. Deputy-Speaker: Willingness to serve is already admitted.

Shri A. P. Jain: That is true, but the minimum qualification is laid down. Thereafter, the question arises, if there are 100 applicants and there are only 20 vacancies, which of these 20 should be selected.

Mr. Deputy-Speaker: I do not want to pursue this matter. Mr. Saigal.

Sardar A. S. Saigal: Is Government contemplating to appoint ex-service officers as heads of the Gram Sevak organisations?

Sardar Majithia: Yes, Sir. I have said in answer to part (c) of the question that wherever they are suitable, because of their better organisational capacity and better man-handling qualities which they inherit, they will be appointed.

Shrimati A. Kale: May I know whether there is any programme to absorb the ex-service women whose plight is absolutely miserable?

Sardar Majithia: The ladies are not debarred from this, provided they come up to the qualifications.

Shrimati A. Kale: May I know whether they have any special programme to absorb the ex-service women—whether Government is thinking of having any programme for them?

Sardar Majithia: As I have already stated, there is no discrimination. I cannot say any further. If they are suitable, they will be certainly selected.

Shri N. M. Lingam: May I know, Sir, if Government contemplates giving any training to these ex-servicemen before they are drafted to service under the National Extension Scheme, in view of the fact that past experience ...

Mr. Deputy-Speaker: All that preamble and subsequent prologue may not be added. The question has been put. Yes, the hon. Minister.

Sardar Majithia: Regarding that question, I may say that those people who do not fully come up to the mark will get special training, and during that period, they will get in addition a stipend of Rs. 50/- a month.

Shri Dabhi: May I know the approximate number of ex-service women?

Sardar Majithia: I have not got any figures at the moment.

Shri Sarangadhar Das: May I know if "manhandling" is a qualification of Gram Sevaks?

Sardar Majithia: "Manhandling" as understood by my hon. friend may be quite different from the quality to handle men.

Mr. Deputy-Speaker: I thought it was a slip for "dealing with men".

Shri Sarangadhar Das: I agree with you.

Mr. Deputy-Speaker: Let alone "manhandlnig".

Shri V. P. Nayar: May I know whether by "manhandling" he meant really handling of men or "manhandling" as others understand it?

Mr. Deputy-Speaker: We understand the meaning of it.

Shri K. K. Basu: Will ex-servicemen who have been discharged on grounds of health be given preference in such appointments?

Sardar Majithia: I see no reason why they should get preference over very fit men.

Shri Muniswamy: The hon. Minister just now said that they have received 3,000 applications. Can he give us an idea as to how many were received from Madras State?

Sardar Majithia: Sorry, Sir, I do not keep figures State-wise.

Shrimati A. Kale: How many women have been taken so far, and if not, does Government feel that all women are unsuitable?

Sardar Majithia: I would respectfully submit that if only the hon. lady Member had given a little bit more ears to what I said, she would know it is the State Governments who are going to recruit these men. We have only recommended.

Shri Raghavaiah: Where the ex-servicemen are given this employment, will they also be given lands in addition to this employment, as a sort of relief to them?

Sardar Majithia: That is not a condition. They will get Rs. 100/- a month.

Mr. Deputy-Speaker: Next question, Dr. Das.

There is too much of talk in the House. Order, order. Notwithstanding my appeal to hon. Members not to talk, they carry on.

GOLD AND DOLLAR RESERVE

***1022. Dr. M. M. Das:** Will the Minister of Finance be pleased to state:

(a) the contribution of India, if any, to the increase of the gold and dollar reserve of the Sterling area during July, 1952 to May, 1953;

(b) how far the foreign exchange difficulties of India, so far as hard currency is concerned, have been solved by this increase; and

(c) the effects of the said increase upon India's foreign trade?

The Parliamentary Secretary to the Minister of Finance (Shri B. R. Bhagat): (a) Towards the increase of about $636 million in the Sterling Area's Gold and Dollar Reserves during July 1952 to May, 1953, India's net contribution was approximately $64 million.

(b) and (c). The improvement in the central gold and dollar reserves of the sterling area has enabled us to make some relaxation in the licensing of essential imports from the dollar area. The reserves are however still not very large. Continued increase in the reserve of the sterling area, should help towards the restoration of multilateral trade and payments, which would have a beneficial effect on India's foreign trade in the long run.

Dr. M. M. Das: May I know whether this increase of the gold and dollar reserves of the sterling area has been maintained or continued during the last three months, *viz.*, June, July and August?

Shri B. R. Bhagat: Yes. In May, the increase was to the extent of $ 6 million; The June and July figures are provisional, and they are $ 13 million and $ 10 million respectively.

Shri S. N. Das: May I know whether it is a fact that any part of our total dollar earnings is not being credited to our accounts, and is being held by Indian nationals abroad?

Shri B. R. Bhagat: I am not aware of that. I would be glad if the hon. member gives me specific information.

Shri K. P. Tripathi: May I know whether there are unspent dollar balances earned by India, and if so whether they are being appropriated by England, when we are not appropriating them? If so, under what contract it is being done?

Shri B. R. Bhagat: I am not aware of what the hon. member specifically means.

Shri K. P. Tripathi: I want to know whether unspent dollar balances of India are credited to our accounts?

Mr. Deputy-Speaker: Will the hon. Member repeat his question?

Shri K. P. Tripathi: May I know whether the unspent dollar balances, when they are not being utilised by us, and are within the pool, are being utilised by U. K. and if so, under what contract?

Shri B. R. Bhagat: That concerns another matter. According to our Sterling Balances Agreement, we have got a specific provision.

Shrimati Tarkeshwari Sinha: In view of this increase, was there any proposal from Britain to make this sterling convertible in terms of dollars, and if so were the Government of India consulted about this matter?

Mr. Deputy-Speaker: This relates to gold and dollar reserves, not convertibility.

Shrimati Tarkeshwari Sinha: There was a talk initiated by Britain to make convertible the Sterling Area's Reserves in terms of dollars. I want to know whether the Government of India were consulted, because they are also a member of this Sterling Area.

Mr. Deputy-Speaker: This question relates only to reserves on hand.

Shri K. K. Basu: May I know whether in spite of this relaxation of the import restrictions, the imports have actually increased?

Shri B. R. Bhagat: They are being increased; the monthly average figures show that they are being increased slightly; during the period July 1952 to December 1952, they were on the decline, but in the first half of 1953, they have been on the increase.

Shri T. K. Chaudhuri: Are we spending the full amount of the gold and dollar reserves earned by India, and if not, what happens to the balance? Is it spent by some other country that is a participant to this pool?

Shri B. R. Bhagat: Whatever is not spent is accumulated in the balance. That is how we have an increase to the tune of $ 64 million to our credit balance.

Shri Bansal: Is it not a fact that we are having on the whole an adverse trade balance with the U. S. A. and other dollar countries? If so, how does the question of utilising the surplus dollar reserves arise?

Shri B. R. Bhagat: That concerns our export side too. We have accumulated dollar reserve through increasing exports and cutting down imports.

Several Hon. Members

Mr. Deputy-Speaker: Are we having a debate on this matter? Mr. S. N. Das.

Shri S. N. Das: May I know whether cases of evasions of exchange control by over-invoicing and under-invoicing have been brought to the notice of Government, and if so what action has been taken to prevent such things?

Shri B. R. Bhagat: The hon. member refers to the evasion of exchange control regulations. I do not see how that arises out of this question.

Mr. Deputy-Speaker: This question has been sufficiently answered. Let us go to the next question.

Dr. M. M. Das: One question, Sir.

Mr. Deputy-Speaker: All others have exhausted supplementaries. Hon. members are going into a discussion of this matter. They may wait for another opportunity, when the hon. Finance Minister will be here.

INTENSIVE EDUCATIONAL DEVELOPMENT

***1023. Shri S. C. Samanta:** (a) Will the Minister of **Education** be pleased to state the number of selected areas where the schemes for intensive educational development is being implemented?

(b) Is this effort experimental or will it take the place of general educational system prevalent at present in those areas?

(c) Up to which standard is this scheme being worked out at present?

The Minister of Rehabilitation (Shri A. P. Jain): (a) 27.

(b) The whole scheme is in the nature of a pilot Project, in order to improve the general quality of Basic education in the States.

(c) From the Primary (Basic) School to the Post-Graduate (Training) College level.

Attention of the hon. Member is invited to the reply to Unstarred Question. No. 101 for 5th August, 1953.

श्री एस० सी० सामन्त : क्या मैं मंत्री जी से जान सकता हूं कि इन शिक्षार्थियों को चुनने में सिर्फ़ शिक्षा विषयक योग्यता देखी जाती है या और दूसरी भी ?

Shri V. P. Nayar: On a point of order, Sir. We find that there are several questions put down for answer by the Education Minister. You are also aware that the dates have been fixed a considerably long time ago. It is very bad that the hon. Minister representing the Education Ministry is not here. Usually we get the answers from either the Education Minister, or his deputy or the parliamentary secretary, whoever is available. It is very unfortunate now that the Rehabilitation Minister is asked to rehabilitate the Education Ministry also. He cannot be expected to answer these questions.

Shri K. K. Basu: He is simply looking into the files and wasting the time of the House.

Mr. Deputy-Speaker: Hon. Ministers who are in charge of a particular ministry have got a greater opportunity of looking into the files from stage to stage. The difficulty I am feeling, and hon. Members also are feeling is that any person who is coached up for the nonce cannot cope up with the situation. All the same, Mr. Jain has been doing it exceedingly well. But it is rather difficult for anybody to get coached up with the entire material, and to be aware of everything. He can only know what he could find in the papers supplied to him, and even then a day in advance will be too short for anybody to get to know all the material. I find it rather difficult. Under these circumstances, I would ordinarily expect hon. Ministers in charge to be present here, except under unavoidable circumstances. But they owe it to the House or at least to me, to give intimation that so-and-so will answer such and such a question. In this case intimation has been given, but I am taken by surprise otherwise. Hereafter, except for exceptional reasons, hon. Ministers will certainly be present here, so that they may be able to deal with the supplementaries, and not be put to the necessity of looking into the files and asking for time. I am sure they will take care of this point.

Shri S. C. Samanta: I wanted to know whether any other things are considered, besides educational qualifications, in the selection of these candidates?

Shri A. P. Jain: I require notice.

श्री हेडा: इस शिक्षा के लिये जो पाठ्यक्रम या कँरिकुलम बनाया जाता है क्या उस को बनाते समय प्रदेश की जो आर्थिक व्यवस्था होती है और जो वहां के उद्योग धन्धे होते हैं उन का भी लिहाज रक्खा जाता है ?

श्री ए० पी० जैन: इस के लिये तो अलाहदा अलाहदा इन्स्टिट्यूशन्स हैं जिन के अनुकूल एरियाज छांट ली जाती हैं और वहां पर इन्टेन्सिव ट्रेनिंग का इन्तजाम किया जाता है। जहां तक पाठ्यक्रम का सम्बन्ध है वह तो बेसिक एजुकेशन का वही होता है जो दूसरी जगह बेसिक एजुकेशन का होता है और ट्रेनिंग भी वही होती है, इस में मंशा यह है कि केन्द्र छांटे जाते हैं और वहां इसे इन्टेन्सिव तरीके से किया जाता है।

Shri Gadilingana Gowd: May I know the area selected in Madras State?

Shri A. P. Jain: West Godavari.

Shri K. K. Basu: May I know how many intensive education centres there are in the whole of India, and the state-wise break-up of the figure?

Shri A. P. Jain: I have already answered that question. There is one in each of the States, except Tripura.

Shri T. S. A. Chettiar: How many schemes have been sanctioned?

Shri A. P. Jain: It is there in all the States, excepting Tripura.

Shri T. S. A. Chettiar: How many have been sanctioned?

Shri A. P. Jain: These have been sanctioned and are implemented.

Kumari Annie Mascarene: May I know whether it is in accordance with this scheme, that schools are being closed down in the closest vicinity of Delhi? I mean especially the closure of the Girls' School at Aligarh?

Mr. Deputy-Speaker: This is an ironical question, and need not be answered.

SALARIES OF OFFICERS

*1024. **Shri Gidwani:** (a) Will the Minister of **Home affairs** be pleased to state whether it is a fact that the Government of Madras had a proposal to impose a ten per cent cut in the salary of officers who were under the administrative control of the Central Government but were serving in the Madras State?

(b) Have the Government of India refused permission to the Madras Government to do so?

The Deputy Minister of Home Affairs (Shri Datar): (a) The Government of Madras had a proposal to impose a ten per cent cut in the pay of Indian Civil Service, Indian Administrative Service and Indian Police/Indian Police Service officers serving under the State Government.

(b) Yes.

Shri Gidwani: Have the Government restored the cut to the officers concerned?

Shri Datar: Sir, there was no cut so far as the members of these All India services were concerned, and we learn that the Government of Madras have restored the cut in respect of their own services.

Shri Gidwani: What are the reasons for restoring the cut? Why did the Government of India refuse to allow them to impose the cut?

Shri Datar: The Government of India could not agree with the Madras Government's proposal because it was considered advisable to have a uniform scale of pay and there should be no discrimination in any particular State.

Shri Damodara Menon: Have the Government considered the desirability of having a uniform cut throughout India?

The Minister of Home Affairs and States (Dr. Katju): Not so far.

Shri Damodara Menon: May I know, Sir, the reason for not considering it?

Dr. Katju: Hon. Members will recollect that this question of salaries for all services, particularly All-India Services, was examined recently—I think about two years back—by the Pay Commission, and the salaries of the Indian Administrative Service, Indian Police Service and other services were fixed. No occasion has arisen so far for re-examining that question on an all-India basis.

Shrimati Renu Chakravartty: In view of the fact that the hon. Minister says that the Government are prepared to abide by the decisions of the Pay Commission as far as the officers are concerned, what about implementing their decisions in regard to the other categories?

Dr. Katju: The difficulty is that the Pay Commission's report is as fat as this (*shows the First Five Year Plan*) and I cannot be expected to go into everything from first to last. But I shall bear in mind this suggestion that the hon. lady Member has made.

Shrimati Renu Chakravartty: It is a question of principle.

Several Hon. Members *rose—*

Mr. Deputy-Speaker: I have allowed enough questions. I am now only on the tenth question and there are now just five or six minutes left. Is it right?

Dr. Katju: May I, with your permission, remind the House that I have been looking at the clock and we have finished just twelve questions only today.

Mr. Deputy-Speaker: The hon. Member has given me more credit than I deserved. Only ten questions are disposed of.

Dr. Katju: We are most hungry to answer supplementaries in regard to all questions. If hon. Members stick to only about ten or twelve questions, it is a great disservice to the country at large. All the questions ought to be gone into.

The Minister of Defence Organisation (Shri Tyagi): Important questions take more time.

Mr. Deputy-Speaker: The difficulty is this. In regard to any question that comes up, many hon. Members are interested and then they put supplementary questions. But they forget that other hon. Members who have taken pains to put down questions are blocked by this. Of course, all hon. Members are very industrious, but those members who never put a question take up the questions of some other Members immediately they are put as if it is their child and start asking supplementary questions. How can I allow it? Is it fair to those hon. Members who have tabled the question. One or two questions can, of course, be asked, but the other questions which are pending should not be blocked. I have not been able to push through beyond 10 questions so far. Every question that comes up is of relative importance with respect to the entire questions.

Sardar Hukam Singh: There may be only seven or eight questions answered. What will others do unless they put supplementaries?

Mr. Deputy-Speaker: In the normal course, those Members who have put down questions must have an opportunity of putting supplementaries and getting the answers here.

Shri Sarangadhar Das: But it becomes the property of the House.

Mr. Deputy-Speaker: Then shall I allow only one question? I will now pass on to the next question.

DEFENCE STORES

***1025. Dr. Ram Subhag Singh:** Will the Minister of **Defence** be pleased to state:

(a) whether large quantities of defence stores have been declared surplus by Defence Authorities;

(b) whether necessary storage facilities exist for those stores; and

(c) if not, whether Government propose to dispose of those surplus stores?

The Deputy Minister of Defence (Shri Satish Chandra): (a) Yes.

(b) Facilities do not exist for all the stores.

(c) These have been declared to the Director General of Supplies and Disposals who is responsible for the actual disposal of surplus stores.

डा० राम सुभग सिंह: जितना यह सरप्लस गुड्स डिकलेअर किया गया है उसका अन्दाज़न कितना मूल्य होगा ?

श्री सतीश चन्द्र: इस वक्त डाइरेक्टर जनरल के पास जितना सामान डिस्पोज़ल के लिये बाक़ी है उसका मूल्य क़रीब साढ़े ग्यारह करोड़ रुपया है। यह बुक वेल्यू है।

डा० राम सुभग सिंह: क्या यह सही है कि यदि इन सामानों को जल्दी से जल्दी डिसपोज़ आफ़ नहीं किया जायगा तो इसमें से बहुत ज्यादा जल्दी खराब हो जायगा और गवर्नमेंट को लास होगा ?

The Minister of Defence Organisation (Shri Tyagi): Sir, Defence proposes and W. H. and S. disposes.

डा० राम सुभग सिंह: चूंकि कैबिनट की यहां जवाबदेही संयुक्त है, इसलिये जो मंत्री महोदय ने कहा कि मिनिस्ट्री आफ़ वर्क्स, हांउसिंग एण्ड सप्लाई डिसपोज़ेज एण्ड डिफ़ेंस मिनिस्ट्री प्रोपोज़ेज, तो क्या किसी को इतनी ताक़त नहीं है कि कोआरडिनेटेड ढंग से सब काम करा सकें ?

श्री सतीश चन्द्र: इस बात का बहुत प्रयत्न किया जा रहा है कि जल्द से जल्द डिसपोज़ल हो सके। डिफ़ेंस मिनिस्ट्री इसके लिये खुद भी बहुत उत्सुक है कि इसका जल्द ही डिस्पोज़ल हो क्योंकि सब सामान रखने के लिये हमारे पास जगह नहीं है और इस को रखने के कारण बहुत सा व्यर्थ खर्चा हो जाता है। इसलिये पूरी कोशिश हो रही है कि इसको जल्द ही डिस्पोज़ आफ़ कर दिया जाये।

Shri Raghuramaiah: May I know, Sir, how we come upon such a quantity of stores—whether we could not have anticipated the requirements and confined only to them?

Shri Satish Chandra: Sir, these are war-time accumulations. All sorts of stores came here during the last war and they are surplus to our requirements today.

श्री पी॰ एन॰ राजभोज: आनरेबिल मिनिस्टर साहब यहां तो यह जवाब दे देते हैं कि जल्दी से जल्दी डिसपोज़ आफ़ हो जायगा लेकिन ऐसा होता नहीं है । इसलिये मैं पूछना चाहता हूं कि पूना में और दूसरी जगहों पर जो सामान सड़ रहा है उसको क्यों जल्दी से जल्दी डिसपोज़ आफ़ नहीं किया जाता । अगर आप जल्दी से जल्दी करना चाहते हैं तो बताइये कि दो महीने में या तीन महीने में या चार महीने में करेंगे ?

Mr. Deputy-Speaker: How can it be said?

Shri H. N. Mukerjee: May I know, Sir, what proportion of the stores declared surplus was purchased in foreign countries, and what is the earliest date of the purchase of stores declared surplus?

Shri Satish Chandra: Most of the surplus stores that we possess now were purchased in foreign countries during the last war. And as a matter of fact, it is very difficult to keep them. They are big accumulations and every effort is being made to dispose of them.

Pandit Thakur Das Bhargava: One question, Sir.

Mr. Deputy-Speaker: It is about old stocks. Next question.

PART 'C' STATES

***1026. Shri M. L. Dwivedi:** Will the Minister of **States** be pleased to lay on the Table of the House a copy of memorandum submitted to Government by the Chief Ministers' Conference regarding the problems of Part C States and state:

(a) whether Government have accepted the recommendations of the Chief Ministers of Part C States either in part or in full;

(b) the steps, if any, taken so far to implement the approved recommendations; and

(c) the time likely to be taken in their taking effect?

The Minister of Home Affairs and States (Dr. Katju): Copies of the memorandum are placed on the Table of the House. [*See* Appendix V, annexure No. 23].

(a) Most of the recommendations have been accepted.

(b) (1) Enhanced financial powers have been delegated to the Lieutenant Governors and the Chief Commissioners to be exercised by them on the advice of their Council of Ministers.

(2) Full powers of appointment and disciplinary action in respect of Central Services Classes I and II have been delegated to the Lieutenant Governors and the Chief Commissioners.

(3) Government have decided to amend the Government of Part C States Act so as to authorise the Part C States to have their own capital budget. A Bill for this purpose will be introduced in the House.

(4) The Rules of Business of certain Part 'C' States have been amended so as to allow the States to proceed with legislation of a non-controversial and routine nature, without obtaining the approval of the Central Government.

(c) All the steps taken except in regard to the Bill to be introduced in the House, have been given effect.

श्री एम॰ एल॰ द्विवेदी: मैं यह जानना चाहता हूं कि यह जो भाग ग राज्यों को सुधार दिये गये हैं इसके सम्बन्ध में सरकार ने कोई घोषणा निकाली है या नहीं ?

डा॰ काटजू: घोषणा किसके लिये ?

श्री एम॰ एल॰ द्विवेदी: सम्बन्धित राज्यों के लिये ।

डा॰ काटजू: उनको मालूम है ।

Mr. Deputy-Speaker: The Question-hour is over.

Short Notice Question and Answer

SPECIAL EDUCATIONAL SCHEMES FOR INDUSTRIAL DEVELOPMENT

Shri S. N. Das: Will the Minister of Finance be pleased to state:

(a) whether the Government of India have sanctioned any special educational scheme and a vigorous programme of industrial development involving an expenditure of about Rs. 12 crores and of about Rs. 300 crores respectively with a view to provide employment to those who are unemployed;

(b) if so, the extent of financial commitment of the Centre in the implementation of these schemes;

(c) whether the various State Governments have accepted any financial responsibility in this matter;

(d) if so, the extent of their responsibility; and

(e) the precise nature of schemes and programmes that have been sanctioned?

The Minister of Finance (Shri C. D. Deshmukh): (a) The Government of India have proposed a Special Educational Expansion programme to provide employment to the educated unemployed. No separate industrial development programme has been drawn; the programme already outlined in the Plan will be suitably adjusted to relieve educated unemployment.

(b) Rs. 14.7 crores on account of the educational programme.

(c) The State Governments were addressed only on the 20th August, 1953, and their comments are not yet available.

(d) Does not arise.

(e) A copy of the Ministry of Education letter No. F.2-8/53-D.I. dated the 20th August, 1953 to the State Governments, giving the details of the scheme, is laid on the Table of the House. [*See* Appendix V, annexure No. 24.]

Shri S. N. Das: May I know, Sir, what will be the basis of this distribution of the amount that the Central Government is giving to the various States?

Shri C. D. Deshmukh: It will depend on the response of the States concerned, Sir.

Shri S. N. Das: May I know whether the Central Government has calculated what will be the proportion if the scheme is approved by the State Governments?

Shri C. D. Deshmukh: If hon. Members will read this letter, they will discover what the responsibility of the Centre is going to be and what the responsibility of the States is going to be. For the first year, it will be 75 per cent. Centre and 25 per cent. States, second year, 50-50, and third year 25 per cent. Centre and 75 per cent. States.

Shri L. N. Mishra: Sir, do the Government contemplate any increase in the size of the Plan as a result of these additional programmes; if yes, to what extent and how and wherefrom the money is to be found out?

Shri C. D. Deshmukh: Generally speaking, Sir, it is not expected that this would involve any enlargement of the Plan. The Education scheme as now outlined will probably take the place of some of the educational schemes already included in the Plan under the same general category.

Kumari Annie Mascarene: May I know whether in view of the fact that an amount has been set apart for educational employment, those schools which have been closed for want of finance will be re-opened from the amount set apart?

Shri C. D. Deshmukh: If the hon. Member's question is whether the same treatment will be given to closed schools as to the new schools, the answer is, Yes. There is no essential difference between the opening of a new school and the re-opening of old schools.

Shrimati Renu Chakravartty: Sir, may we know what are the States that are going to benefit by the 12 crores or so given for this education scheme? Can we have the break-up?

Shri C. D. Deshmukh: That is the same question which was asked by the first hon. Member. Until we get the response of the State Government, particularly an indication of their readiness to take up the scheme which has been outlined, it is not possible for us to indicate what the share of each State will be. It is possible that some States will say that they are not in a position to take up the entire burden. In such a case, the problem will have to be considered afresh.

Shri T. S. A. Chettiar: May I know the particulars of the educational programme to relieve unemployment?

Mr. Deputy-Speaker: Particulars of the whole programme?

Shri T. S. A. Chettiar: He has laid on the Table of the House a letter addressed to the State Governments May we know the particulars of the educational programme to implement which they are spending 14 crores and odd?

Shri C. D. Deshmukh: That is the programme indicated in the letter.

Shri B. K. Das: May I know whether the scheme submitted by the West Bengal Government has been sanctioned, and, if so, for what amount and how many teachers?

Shri C. D. Deshmukh: I am not aware that the West Bengal Government has sent any formal reply. The Chief Minister was here a few days ago and he had informal talks with Members of the Planning Commission.

Shri L. N. Mishra: It appears from the letter addressed by the Government of India to the State Governments that Government of India has undertaken to give financial aid for a limited period of 3 years only. May I know the new resources from which the State Governments are expected to meet this additional liability thereafter?

Shri C. D. Deshmukh: It is very difficult to say what the new resources of the States will be after the three year period, namely after the completion of the present Plan. That will be part of the new Five Year Plan that would have to be taken in hand in due course.

Shri A. M. Thomas: The Development Council consists of the Chief Ministers of the various States. May I enquire whether these proposals have been placed before the Development Council and, if not, are these contemplated to be placed before the Council?

Shri C. D. Deshmukh: As I said the other day, it is possible that a meeting of the National Development Council would have to be called in about a month's time. If, by that time, it has been possible to finalise this scheme and if there are any points that need any reference to the Council, then those points will be placed before the meeting of the Council.

Shri K. K. Basu: May I know the total number and the percentage of the educated unemployed who will find employment under this scheme when it is in full working?

Shri C. D. Deshmukh: It is about 88,000, Sir, if the scheme is in full working.

Shri K. K. Basu: What will be the percentage?

Shri C. D. Deshmukh: That is very difficult to say. We have not got all the statistics in regard to the total number of educated unemployed.

Dr. M. M. Das: May I know whether, in addition to the scheme which is in question, any other scheme is under the consideration of the Government for the solution of the problem of the educated unemployed?

Mr. Deputy-Speaker: We are having a resolution.

Prof. D. C. Sharma: May I know if it has been decided what type of education will be imparted in the new schools that are going to be set up? Is it basic or the old orthodox kind?

Shri C. D. Deshmukh: Primary.

Shri S. N. Das: May I know whether besides this scheme any other schemes for encouraging cottage industries production and to intensify the execution of those projects, are under consideration?

Shri C. D. Deshmukh: Yes, Sir, that subject has also been indicated in the letter of the Planning Commission which contained its 11-point programme to relieve unemployment. This is one of the issues which the State Governments would have to consider as to which particular cottage industry is to be taken up with the specific object of reducing unemployment.

श्री पी० एन० राजभोज : मैं यह पूछना चाहता हूं कि बैकवर्ड क्लासेज के बारे में प्लानिंग कमीशन ने कई स्कीमें बनाईं। लेकिन अमल में कोई नहीं आती है। तो अमल में कब आवेंगी, क्या आप यह बता सकते हैं ?

एक माननीय सदस्य : पांच साल बाद।

श्री पी० एन० राजभोज : पांच साल बाद आवेंगी, या अभी आवेंगी, यह बताइये?

श्री सी० डी० देशमुख : यह प्रश्न अप्रासंगिक मालूम होता है।

श्री पी० एन० राजभोज : मैं ने सुना नहीं क्या जवाब दिया ?

Mr. Deputy-Speaker: He says it does not arise out of this question. The hon. Member knows Hindi.

WRITTEN ANSWERS TO QUESTIONS

PAKISTAN SECURITIES

***1027. Shri A. N. Vidyalankar:** (a) Will the Minister of **Finance** be pleased to refer to the answer given to Starred Question No. 1687 asked on the 29th April, 1953 and state whether Government have collected information about the number and value of Pakistan Securities *viz.*, N.W.F.P. Loan and Sind Government Loan since 27th February, 1951 standing enfaced for payment of interest on Indian Treasuries that have changed enfacement from India to Pakistan?

(b) How many Karachi Port Trust and Karachi Municipal Debentures since 27th February, 1951 have been transferred from Imperial Bank of India Bombay, Calcutta and Madras Registers to Karachi Registers?

(c) Did the change of enfacement, change of register and export of Pakistan securities mentioned in (a) and (b) above take place under the permission of the Foreign Exchange Regulations?

(d) If so, how the payment for the same was received in India?

(e) If not, how the securities were exported to Pakistan?

(f) How many Indian Securities held in Pakistan have changed enfacement from Pakistan to India and imported in India since 27th February, 1951?

(g) What is the form and value of the consideration that was paid in lieu of these securities to Pakistani holders?

The Minister of Finance (Shri C. D. Deshmukh): (a) Yes Sir. A statement giving the information is attached. [*See* Appendix V, annexure No. 25.]

(b) The Imperial Bank of India does not maintain any registers in respect of these securities.

(c) to (e). Out of the securities of the face value of Rs. 119,96,900 referred to in the statement attached, securities worth Rs. 82,86,100 were in all probability transferred to Pakistan before the introduction of exchange control as no interest has been drawn in India on them after the 27th February 1951. Almost the whole of the balance of securities worth Rs. 37,10,800 were transferred to Pakistan with the approval of the Reserve Bank of India for meeting the special requirements of certain banks and Insurance companies.

(f) A statement is attached. [*See* Appendix V, annexure No. 26.]

(g) The matter is under investigation by the Reserve Bank of India.

PAKISTAN BONDS

***1028. Shri A. N. Vidyalankar:** Will the Minister of Finance be pleased to refer to the answer given to the Starred Question No. 1687 asked on 29th April, 1953 in which it was stated that Pakistan Bonds of the face value of about Rs. 83,00,000 changed enfacement from Indian to Pakistan Treasuries and state:

(a) whether such change of enfacement and export to Pakistan of Rs. 83,00,000 Pakistan Bonds was done under the Foreign Exchange Regulations: and

(b) if so, how payment in India was received from Pakistan for the same?

The Minister of Finance (Shri C. D. Deshmukh): (a) No Sir. From the particulars of interest payment furnished in cancellation Advices received from the Public Debt Offices it has been observed that in respect of these securities interest had not been drawn in India after the 27th February, 1951 indicating that these securities were in all probability physically transferred to Pakistan before the 27th February, 1951, the date on which the ban on the export of securities came into operation.

(b) Government have no information.

BURMA CURRENCIES

***1029. Shri Rishang Keishing:** Will the Minister of Finance be pleased to state:

(a) whether Government are aware that after the seizure of the Burma currencies by the Customs Department in Manipur, correspondence relating to the seized currencies has to be done with the customs authorities at Silchar with the result that ignorant village folks are put to difficulties to get back their seized currencies; and

(b) if so, what steps Government propose to take in the matter?

The Deputy Minister of Finance (Shri A. C. Guha): (a) No complaints have been received so far. A Deputy Superintendent posted at Imphal attends to such cases rendering the necessary help; but adjudication of such cases has to be made by the Superintendent at Silchar who alone has the necessary legal authority. Before passing orders he has to call upon the smugglers to show cause and some correspondence is bound to arise.

(b) Government will now consider the feasibility of delegating the powers of adjudication in minor cases to the Deputy Superintendent of Central Excise stationed at Imphal.

LAW CHARGES

***1030. Shri K. C. Sodhia:** (a) Will the Minister of Law be pleased to state the total amount of Law Charges paid on behalf of the Government of India in England during 1952-53?

(b) To what agency and for what services were these Charges paid?

(c) Is it a recurring expenditure?

The Minister of Law and Minority Affairs (Shri Biswas): (a) £1,408/14/5.

(b) A statement is laid on the Table of the House. [*See* Appendix V, annexure No. 27.]

(c) No.

RECRUITMENT TO ARMY

***1031. Shri E. Iyyani:** Will the Minister of Defence be pleased to state:

(a) whether boys are recruited to the army at present:

(b) if so, mainly to which corps;

(c) the places where they are given training;

(d) the number of centres maintained for this purpose; and

(e) what are the qualifications prescribed for this selection?

The Deputy Minister of Defence (Sardar Majithia): (a) and (b). Yes, boys are recruited to the following Corps:—

(i) Armoured Corps.

(ii) Artillery.

(iii) Engineers.

(iv) Signals.

(v) Infantry.

(vi) Army Service Corps.

(vii) Electrical and Mechanical Corps.

(viii) Army Ordnance Corps.

(ix) Army Medical Corps.

(c) Lansdowne, Bangalore, Roorkee, Kirkee, Secunderabad, Jubulpore and Dehra Dun.

(d) Eight.

(e) Boys must be over 14 and under 17 years of age. Minimum educational qualification is 4 to 8 *Jamaats* (class).

DISCRIMINATION IN TRANSPORT INSURANCE

***1032. Shri Raghunath Singh:** (a) Will the Minister of Finance be pleased to state whether it is a fact that many Nations have adopted the policy of compulsory insurance on the goods exported or imported in the country in their own insurance companies, a policy better known as Discrimination in transport insurance?

(b) If so, what effect it has on Indian sea-borne trade overseas?

The Minister of Finance (Shri C. D. Deshmukh): (a) A few countries are following a policy of discrimination in transport insurance.

(b) No precise information is available in regard to the impact of discriminatory practices on our sea-borne trade.

PRINCIPAL, I. A. S. TRAINING SCHOOL

***1033. Shri K. P. Tripathi:** Will the Minister of Home Affairs be pleased to state:

(a) whether it is a fact that the Planning Commission has recommended a whole-time officer for the post of the Principal of I.A.S. Training School;

(b) if so, whether a whole-time Principal has been appointed; and

(c) if not, the reasons therefor?

The Minister of Home Affairs and States (Dr. Katju): (a) Yes.

(b) No.

(c) This proposal is linked with a number of other proposals which are under active consideration of Government. A decision is expected very shortly.

OCCUPATION OF LAND

***1034. Shri R. C. Majhi:** (a) Will the Minister of Defence be pleased to state whether it is a fact that about rupees one lakh was being paid annually to the owners of land which had been occupied by the Defence Ministry for the Amarda aerodrome in Mayurbhanj District of Orissa?

(b) Is it a fact that the payment of this compensation has been stopped since 1947?

(c) Is it a fact that the owners of such land have been paying the land rent to the State although they are not getting any produce or crop compensation for the land occupied by the Defence Ministry?

(d) If so, who is responsible for this loss and inconvenience caused to the owners of the land concerned?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes; Rs. 83,126 for approximately 2090 acres.

(b) Yes; but only for 402:56 acres with an annual rental liability of Rs. 13,172. The remaining area was derequisitioned in June 1947.

(c) Yes, only for 402:56 acres.

(d) The question of payment of arrears of compensation for the period since March 1947 for 402·56 acres which has remained under requisition is under consideration by the Orissa Government.

RELIEF TO SCARCITY-AFFECTED AREAS

***1035. Shri N. L. Joshi:** Will the Minister of **Finance** be pleased to state:

(a) whether Government have considered the reports of the officers who visited scarcity-affected areas of the States of Mysore, Hyderabad, Madras, Bombay and Assam; and

(b) if so, what action Government have taken so far on the reports?

The Minister of Finance (Shri C. D. Deshmukh): (a) Yes, Sir.

(b) The necessary information in respect of Assam was given by the Prime Minister while answering Starred Question No. 279A by Shri S. C. Samanta in the House of the People on 13th November, 1952. As regards other States, a memorandum indicating the main recommendations of the 'Team of Officials" and the action taken thereon was placed on the Table of the House on the 15th May, 1953.

ARMY OFFICERS SENT ABROAD

***1036. Dr. Amin:** Will the Minister of **Defence** be pleased to state:

(a) the number of Army Officers and men who were sent abroad for training during the years 1950-51 and 1951-52;

(b) the expenditure incurred each year on this account during the above period; and

(c) the names of the countries to which they were sent showing the number of persons sent to each country during the above period?

The Minister of Defence Organisation (Shri Tyagi): (a) The information available is by calendar years and is as follows:

	1951	1952
Officers	53	53
Men	2	5

(b)—

1951	1952
Rs. 5,37,000	Rs. 5,78,000

(c)—

	1951	1952
U.K.	52	55
U.S.A.	1	1
Canada	1	1
Australia	1	1

NAGARJUNAKONDA

***1037. Shri Muniswamy:** (a) Will the Minister of **Education** be pleased to state whether it is a fact that if Nandikonda Project is realised, Nagarjunakonda, a famous place of Archaeological importance, will be submerged in water?

(b) If so, what steps have been taken by Government to preserve the relics of this archaeological centre?

(c) What is the historical importance of the relics that have been found out in this archaeological centre?

The Minister of Rehabilitation (Shri A. P. Jain): (a) Yes.

(b) Since the matter has come to the knowledge of Government, it has been under consideration and every effort will be made to provide for the safeguarding of this site.

(c) The valley was the seat of the Buddhist appostle Nagarjuna, the founder of the Madhyamika school of Buddhist Philosophy. The excavations have discovered not only monasteries, stūpas and chaityas but also a palace, a wharf and a number of inscriptions relating to the Ikshvaku dynasty of the third century A.D.

PANCHAYATS IN TRIPURA

***1038. Shri Dasaratha Deb:** Will the Minister of **States** be pleased to state:

(a) whether Government are aware that there is a demand for the introduction of village panchayats and local bodies with adequate powers for self-government in Tripura; and

(b) if so, what steps Government propose to take to introduce village panchayats and local bodies?

The Minister of Home Affairs and States (Dr. Katju): (a) So far no such representation has been received by the local authorities.

(b) Government are already considering the extension to Tripura of suitable Panchayat and Municipal law prevailing in a neighbouring Part A State.

COURTS

***1039. Shri Achuthan:** (a) Will the Minister of **Home Affairs** be pleased to state the policy of Government in the location of Division Benches of High Courts in important centres of the States?

(b) Has any demand come from the public to locate Division Benches of the Supreme Court at Calcutta, Bombay and Madras?

(c) If so, what attitude have Government taken?

The Minister of Home Affairs and States (Dr. Katju): (a) The practice as sanctioned by the Constitution differs in different High Courts. In some, it is the Chief Justice, in some others, it is the State Government, who have in the first instance to take steps in this matter.

(b) No.

(c) Does not arise.

FIRE IN AIR HEADQUARTERS

***1040. Sardar A. S. Saigal:** (a) Will the Minister of **Defence** be pleased to state whether it is a fact that the Film Section of the Air Headquarters in New Delhi was gutted with fire on the 21st August, 1953?

(b) At what time did the Fire Engines of the Delhi Fire Service reach after the fire broke out?

(c) What was the cause of the fire?

(d) What is the actual cost of the films destroyed in the fire?

(e) Do Government propose to lay full facts before the House?

The Minister of Defence Organisation (Shri Tyagi): (a) Yes. A major part of it was gutted.

(b) Within ten minutes.

(c) to (e). The matter is under investigation. A Court of Inquiry has been ordered to investigate the cause of the fire, assess the damage and make recommendations to obviate the possibility of such accidents in future. I shall lay the information on the Table of the House after the proceedings are received.

RAIDS IN KUTCH

***1041. Shri Bhawanji:** Will the Minister of **States** be pleased to refer to the answer to short notice question No. 100, given on the 18th December. 1952 and state:

(a) the steps that have been taken since then by the Chief Commissioner of Kutch to tighten the Police Administration in Kutch;

(b) the number of raids committed by the dacoits from the Western Pakistan since the 18th December 1952 till now:

(c) the estimate of the looted property and the number of persons killed;

(d) the date and the name of the village where the last raid was committed in Kutch. the estimated amount of the looted property and the number of persons killed:

(e) whether the Government of India have moved the Government of Pakistan for restoring the possession of the notorious dacoit Khanji of Kutch along with the notorious dacoit Bhupat of Saurashtra;

(f) if so, the progress achieved in the negotiations; and

(g) if not, whether the Government of India contemplate to move the Government of Pakistan in this direction?

The Minister of Home Affairs and States (Dr. Katju): (a) Adequate police parties have been posted at suitable places to patrol the border areas

(b) to (d). Information is being collected and will be laid on the Table of the House.

(e) No.

(f) Does not arise.

(g) No.

INCOME-TAX REFUND

537. **Shri S. G. Parikh:** Will the Minister of Finance be pleased to state:

(a) whether Government are aware of a Press Report that no income-tax refund will be allowed for the dividends received on shares and stocks standing in the names of banks on behalf of their clients; and

(b) if so, the reasons for the same?

The Deputy Minister of Finance (Shri M. C. Shah): (a) and (b). The Government are not aware of any such press report, but the position is that under section 18(5) of the Income-tax Act, credit for tax paid by a company in respect of profits distributed as dividends to its shareholders, is to be given to the shareholders, i.e. the persons who are registered as members of the company in its Register of Members, irrespective of whether others have beneficial interest in the shares. This interpretation of Section 18(5) is based upon the Bombay High Court decision in the cases of S. C. Cumbatta and Sri Shakti Mills 1946 ITR 748 and 1949 ITR 107 respectively.

DEPOSITS OF PYRITE IN BIHAR

538. **Shri N. B. Chowdhury:** Will the Minister of Natural Resources and Scientific Research be pleased to state:

(a) what steps Government have taken to utilise the pyrite deposits in the Shahabad District of Bihar for the extraction of sulphur; and

(b) what has been the result?

The Minister of Rehabilitation (Shri A. P. Jain): (a) and (b). Efforts are being made to persuade Sulphuric Acid manufacturing firms to use iron pyrites for the manufacture of Sulphuric acid. It is understood that the Sulphuric Acid plant of the Bihar Government's Superphosphate Factory has been designed for operation on pyrites.

SLATES

539. **Shri S. C. Samanta:** Will the Minister of Natural Resources and Scientific Research be pleased to state the names of States where there are large deposits of slates in India?

The Minister of Rehabilitation (Shri A. P. Jain): Assam, Bihar, Bombay, Madhya Bharat, Madras, Punjab, Rajasthan and Uttar Pradesh.

AMERICAN WHEAT

540. **Dr. M. M. Das:** Will the Minister of Finance be pleased to state:

(a) the total amount of sale proceeds from the American wheat loan realised so far, after deducting necessary expenditure; and

(b) how this money has been utilised?

The Minister of Finance (Shri C. D. Deshmukh): (a) Rs. 73,32,01,898.

(b) For financing the development schemes of the Central and the State Governments.

अस्पृश्यता

५४१. **श्री आगड़े :** क्या गृह कार्य मंत्री "अस्पृश्यता के अन्त" के लिये केन्द्रीय विधान

विषयक १७ अप्रैल, १९५३ के असरकारी संकल्प के सम्बन्ध में दिये गये अपने आश्वासन का निर्देश करेंगे और यह बतलाने की कृपा करेंगे :

(क) उन राज्यों के नाम, जिन से अपने विचार व्यक्त करने के लिए कहा गया है ;

(ख) विभिन्न राज्यों द्वारा व्यक्त किए गए विचार ; तथा

(ग) उन राज्यों के नाम, जिन्होंने अब तक कोई उत्तर नहीं भेजा है ?

The Minister of Home Affairs and States (Dr. Katju): (a) to (c). The Government of India have drafted a Bill prescribing punishment for the observance of 'untouchability'. Copies of this Bill were forwarded to all the State Governments (except Jammu and Kashmir) on the 7th August 1953 asking them to furnish their comments at a very early date but not later than the 30th September 1953. No replies have yet been received.

THE
PARLIAMENTARY DEBATES

[illegible] No. L70.
Dated 24.11.20

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

HOUSE OF THE PEOPLE

Friday, 4th September, 1953

The House met at a Quarter Past Eight of the Clock

[MR. DEPUTY-SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(*See Part I*)

9-23 A.M.

LEAVE OF ABSENCE.

Mr. Deputy-Speaker: I have to inform the hon. Members that Shri N. Sathianathan, M.P., completed 63 days of continuous absence on the 27th August, 1953, and thereafter attended the meeting of the House on the 28th August, 1953. He has now sent an application for leave of absence which briefly reads as follows:

> "Ever since my return from Delhi on the 8th April, 1953, I was keeping bad and indifferent health and I am still under treatment. In fact, I attended the session on the 28th August, 1953, as against my Doctor's advice and I was forced to return immediately again. I may not be able to go back to Delhi for some more time.
>
> I therefore regret my absence in the House without its leave and in the above circumstances the above lapse may be condoned by the House and that the House may be also pleased to excuse my absence till the end of this session."

Is it the pleasure of the House that the absence of Shri Sathianathan for 63 days from 8th April to 27th August, 1953, be condoned and that permission be granted to him for remaining absent from all meetings of the House till the end of the current session, as requested by him in his letter?

Hon. Members: Yes.

Absence was condoned and leave granted.

ESTATE DUTY BILL.—*Contd.*

Clause 7.—(*Interests ceasing on death*).—*contd.*

Shri A. M. Thomas (Ernakulam): I would not have intervened at this stage to put forward my views in this matter but for the question of policy raised by the previous Speaker. The amendment which has been tabled by my hon. friend Mr. Sarmah and twenty other hon. Members reads like this:

> "for the purpose of this Act all property shall be deemed to be governed by the Mitakshara system of Hindu law of succession."

I find an attempt in this amendment to reach perfection and afford equal treatment as far as the incidence of this taxation measure is concerned. Much has been said on the invidious distinction made in the application of this contemplated measure. The whole debate at all

[Shri A. M. Thomas]

stages centred round a few aspects and one was the effect of the Bill on persons to whom the *Dayabhaga* system of inheritance applies. I will not limit my argument to those people who follow *Dayabhaga* system, but to all those following other systems except *Mitakshara*. There is no denying the fact that the Bill will weigh more heavily on this set of people. The amendment may at first appear to be alluring and as many as twenty-one hon. Members of this House have subscribed to it. It appears to be a short-cut and may at first sight appear to cut the Gordian knot. But equal treatment as between citizen and citizen will not be possible in regard to people who follow different systems of inheritance.

There would have been no difficulty in accepting this amendment if before the enactment of this measure we had enacted a uniform system of law of inheritance and succession. As circumstances at present exist one system of inheritance cannot be preferred to another system of inheritance. In this amendment you will find that the *Mitakshara* system of inheritance has been accepted as the standard form. I am sure there will be difference of opinion in the House itself with regard to the fact whether it is the ideal system of inheritance. By fiction we can equate the *Dayabhaga* family to the *Mitakshara* family; it may be that the sons would be deemed to get proprietary right on birth. But is it possible in case of the *Marumakkattayam* where a different system of inheritance prevails? I also ask whether it is possible of application to the Christians, to the Muslims and to other people who follow other systems of inheritance than the *Mitakshara* system where female heirs come in. Even amidst people following the *Mitakshara* and *Dayabhaga* difficulties crop up when the nature of the estate is taken into consideration, whether it is self-acquired or otherwise. Achievement of equality by any such fiction as envisaged in the amendment is not possible and practicable, so that according to me this amendment has to be ruled out as impracticable of application in the present circumstances. I have, therefore, necessarily to oppose the amendment.

But while opposing it, I do not want to commit myself to a position that I am against the arguments advanced by my hon. friend Mr. Sarmah. They are weighty considerations which it is difficult to brush aside. The only way to tackle the problem is to take into consideration the different systems of inheritance and try to find ways and means to achieve equality in the incidence of taxation, as far as possible.

My hon. friend Mr. Sarmah made a very pathetic appeal to the good sense and fairness of the Finance Minister, but I cannot subscribe to a position of acceptance of this amendment as it is. One of the reasons why certain States like Travancore-Cochin and West Bengal have not acceded to the request sent by the Centre with regard to inclusion of agricultural land also as liable to estate duty is the reason that in those States the vast majority of people are people who do not follow the *Mitakshara* system of inheritance. I think that is the reason why they have not come forward to accept the suggestion from the Centre. If as a matter of fact the inequality can be bridged to a considerable extent I am sure those States also will be prepared to come forward and be ready to fall in line with the rest of India.

It has been stated by my hon. friend Mr. Sarmah that those people who follow systems of inheritance other than *Mitakshara* have been discriminated against. I do not think that is a correct expression to be used in the set-up of the Estate Duty Bill as laid before the House. If at all there is any discrimination in the strict sense of the word, or in the legally accepted sense of the word, the discrimination is against the *Mitakshara* people, because we are levying the duty on the estate that is left behind by the deceased. As such if different considerations weigh with us with regard to those people who follow *Mitakshara* by fixing the exemption limit as Rs. 50,000 and in the case of those people who follow other systems of inheritance by fixing the exemption limit as Rs. 75,000, I would submit that the discrimination is against the people following the *Mitakshara* system. We are not levying a duty on the estate that is inherited by each person, but on the total estate that is left by the deceased person. The argument of discrimination will not have any weight in this matter to get any concession.

I would like to base my argument for a more equitable treatment for reasons other than the charge of discrimination that has been levelled by some Members of this House. It has even been suggested in the speech of the hon. Finance Minister that it was doubted whether there was some discrimination going by the strict application of the articles of the Constitution by fixing different exemption limits, but taking an overall view it is only a matter of relief that has been given to those persons who follow systems of inheritance other than *Mitakshara* and the opinion is that no article of the Constitution is violated. But all the same if at all there is any scope for argument on the ground of discrimination, my submission is that it is available only for those people who follow the *Mitakshara* system of inheritance The disabilities that a joint member of a *Mitakshara* family labours under are too well known and it is a peculiar institution which while affording certain rights puts so many checks in the way of exercise of the rights. People who follow the *Dayabhaga* system and other systems of inheritance take the property as absolute owners and they can do anything with their property. That is why I said I would put my case on altogether different considerations. Illustrations have been given times without number with regard to the hardship that would be caused to people who follow systems of inheritance other than *Mitakshara* and it has been stated that in the present form the Bill will work very much prejudicially so far as heirs following non-*Mitakshara* schools are concerned. These grounds, I submit, are genuine. The Select Committee has to a certain extent conceded its weight and that is why it has fixed one exemption limit for those following the *Mitakshara* system and another for those following the *Dayabhaga* system of inheritance: so that it cannot be denied that some differential treatment is called for and there is necessity to level this resulting inequality.

As I submitted already, we are not levying this tax on inheritance. If it were so, the hardships that have been mentioned by several hon. Members would not have arisen at all, because if it is on inheritance, the duty will be paid by each heir only on the property inherited by him. It is immaterial whether a *Dayabhaga* father has a dozen sons or more and a *Mitakshara* father has less number of sons.

No Government can ignore the factum of incidence of taxation. I will base my argument on that and that alone. It is necessary that the incidence must be fair and equitable, and we have necessarily to give some relief in certain cases. However hard it may be to devise a completely satisfactory means of measuring tax liability, it is imperative that each particular tax as well as the system as a whole should, as far as possible, try to reach the ideal of justice and fairness. Justice and administrative feasibility go hand in hand and both of them cannot be disregarded. Adam Smith's canons of taxation, though often violated, still hold good as the ideal principles. Of the four canons, equality in the treatment of tax burdens is the most important. The subjects of every State, according to Adam Smith, ought to contribute towards the support of the Government as nearly as possible in proportion to their respective abilities.

[Shri A. M. Thomas]

If this distinction that is laid down in the Bill is adopted, that is Rs. 50,000 limit in the case of the *Mitakshara* people and Rs. 75,000 in the case of *Dayabhaga* and other systems, and if it is driven to its logical conclusion, it will appear that the *Dayabhaga* father can afford to have half a son besides himself. That will be the situation, though the analogy may be a little ridiculous. That is too narrow and uncharitable an approach to the administration of this measure. Once we are prepared to give a benefit I would submit that we must give it ungrudgingly.

I will submit for argument's sake that absolute equality in all circumstances is not possible. And under the present circumstances the only way in which we can approach the question is not by trying to reach perfection or an equal standard for all people under all circumstances, but to raise the exemption limit in the case of people who do not follow the *Mitakshara* form of inheritance—a little more than the Rs. 75,000 limit which has been prescribed in the Bill as reported by the Select Committee. This only possible method, I am sure, will commend itself to the attention of the hon. Finance Minister. And though nothing is possible to be done in this clause 7, I hope he will bear this fact in mind when we come to clause 34 and try to do justice between man and man.

From the standpoint of the economic system as a whole, taxes should not work undue hardship upon individuals or financial enterprises because it will have the undesirable effect of cutting down total production and affecting the standard of life. As far as lawyers practising in original courts are concerned, when any witness is examined it has been the unfortunate practice to measure the worth or the respectability of the witness by the wealth he owns. A few years back if a witness was put into the box and asked what he was worth and if he said he was worth Rs. 10,000, it would have been accepted as the wealth of, so to say, a middle class man. But, as you know, circumstances have changed. Standards have changed. And those very witnesses, when put into the box and asked about their worth according to the standards we adopted some years back at the close of the examination-in-chief, those very witnesses who said Rs. 10,000 now say they are worth rupees one lakh. So what I wish to point out is that the value of money has gone down. The cost of living has also gone up. As such I do not think that this Rs. 75,000 exemption limit is too high a limit and we can afford, according to me, to raise that limit a bit. I do not want to continue my arguments any further. As I have said already, though it is not possible to do anything in this clause on the suggestions made by the twentyone Members who have tabled this amendment—this being the charging clause, so to say; we are discussing the policy underlying the difference in the treatment to people who follow the *Mitakshara* system and the *Dayabhaga* system—I should think that the hon. Finance Minister will find his way to give an assurance to the House that when we come to clause 34 it may be possible to remedy the injustice and hardship that may be worked out in the application of this Bill.

The Minister of Finance (Shri C. D. Deshmukh): I rise to say a few words on my amendment No. 467, which I have already moved, so that hon. Members may speak on it. It is a very formal one. It reads:

> In page 4, *for* lines 35 to 40, *substitute*:
>
> (2) If a member of a Hindu coparcenary governed by the Mitakshara school of law dies, then the provisions of sub-section (1) shall apply with respect to the interest of the deceased in the coparcenary property only—

(a) if the deceased had completed his eighteenth year at the time of his death, or

(b) where he had not completed his eighteenth year at the time of his death, if his father or other male ascendant in the male line was not a coparcener of the same family at the time of his death."

Now, the object of sub-clause (2) of clause 7 is to provide that the interest in the Hindu undivided family property ceasing on the death of a minor member of a coparcenary shall not be deemed to pass on death and accordingly will not be chargeable to duty. There is, however, a limitation to this exception. If the minor at the time of his death had no father or any other male ascendent in the main line of his coparcenary in the same family then the exception does not apply. But the language used in the sub-clause is a double negative and is likely to be confusing. A doubt has been raised in some quarters as to whether the two exceptions in line 38 of page 4 are cumulative. The amendment proposed by me is merely a formal change so as to convert this part of the clause into a positive form and to make the meaning clearer.

Shri Punnoose (Alleppey): This is a piece of legislation on which I thought silence was golden but I wish to speak a few words for the simple reason that I want to point out certain facts.

I was listening to Mr. Thomas's speech and I could not understand him when he said that it was not discriminatory towards certain systems like the *Dayabhaga*. But at the close of his speech he said that the incidence of taxation is hitting harder certain kinds of families. To my mind it appears that I can characterise it as a discrimination when a certain section is more burdened than others. The fact that Rs. 50,000 or Rs. 75,000 worth of property is placed as the basis does not matter at all. The question is whether the incidence of taxation hits harder on a particular section. In that sense there is discrimination and there is much force in what Mr. Sarmah said. I completely associate myself with the argument and also the spirit of the amendment moved by Mr. Sarmah. That will logically lead to the position that a few more people are allowed to go out of the grips of this law. That means that less of estate duty will be collected.

It might look curious that I am arguing for it. Well, I must state the reason for it. As a matter of fact, though slightly younger to Shri Gadgil, I do not feel so enthusiastic about this measure as Mr. Gadgil is because I am confident that some of the largest fish will never come in the net cast by the Finance Minister. The foreign investors, the ex-Rulers are practically left out and the Finance Minister is satisfied with fishing in shallow waters. Therefore, I do not believe that there will be an egalitarian society as the natural consequence of this piece of legislation. I do not even believe that it will help to bring about that. Therefore, my first and foremost consideration is that none of the marginal men who gravitate between poverty and wealth shall be troubled. I have given up hopes of persuading the Finance Minister to catch old of the big fish. Then what I want to say is that people who are on the verge of financial strain may be left out. It is from that point of view that I am looking at this Bill.

Then, if a limit of Rs. 75,000 is put down with regard to *Dayabhaga* families and if this discriminatory provision is allowed to pass, I feel from experience that many families in our parts who are not poor but who are not wealthy either will be hit hard. It is not convincing to say that this is a matter of taxing the property of the receased and that we shall not look into the conditions of inheritance. That may be the legal definition of the position but I am

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not prepared to accept that perspective. When we tax the deceased's property we have first to consider what happens to those who live on this side of the grave. To say that this is the property of the dead; therefore, it shall be taxed in a particular way—no matter whether it is *Dayabhaga* or *Mitakshara*—is not correct.

Then Mr. Gadgil was saying that we are not creating inequalities between this system and that system. They are inherent in the existing systems.

Shri C. D. Pande (Naini Tal Distt. *cum* Almora Distt.—South West *cum* Bareilly Distt.—North): They are biological.

Shri Punnoose: With great respect for the person who advanced that argument I say it is a very unconvincing argument. How can a Government say that they are not prepared to take stock of the different systems that prevail in the country? People look up to this House and Government to take stock of the prevailing systems. They should see that one particular system should not be hit. I should, first of all, like it to be made clear whether this Government or this House considers the *Mitakshara* system of inheritance as a better and more progressive one. If we are for a particular system then we will encourage it through legislation. Of course, the incidence of taxation may be placed less on that system. Is that the position of the Government? The Finance Minister, I am sure, will say 'No'. It is not the object of the Government at all. Then we have to consider what happens to the *Dayabhaga* family.

Shri Gadgil was saying that, after all, law is the reflection of the will of the people. I agree. If the law is the reflection of the will of the people, then I say their highnesses will escape, the foreign investors will be left out. Apart from the financial results that may follow, a very serious consequence is likely to follow of which the Government should take jolly good care, because large sections of people in the South—in Kerala, in Bengal—will believe that this piece of legislation is being framed by people who are not directly connected with the system under which they are. For my part, I very frankly say that I may not be able to contradict it. I am quite sure that if people who are directly connected with *Dayabhaga*, the Christian and the Muslim systems of inheritance, had their say in the framing of this legislation they might have found out some arrangement by which this inequality would not happen. Even with my mediocre and limited knowledge about it, I may envisage a contingency by which we may have a number of Acts on estate duty. I am not concerned with *Mitakshara*, *Dayabhaga* or the Christian law. What I am concerned is that no particular section should be put to hardship. Previously so many cases have been cited of how the hardship will work. No argument, I am sure, can be advanced against it. I am not so much concerned with the rates and limits of the estate duty. It is, of course, my interest to see that duty is collected from all those who can pay it. But I strongly feel that clear injustice is being done to the *Dayabhaga* system.

Shri T. N. Singh (Banaras Distt.—East): But *Dayabhaga* is a rightist system of inheritance.

Shri Punnoose: Right or left. I am talking about the human beings involved.

There is another point. You know, Sir, in our parts the *Marumakkattayam* system is followed.

Mr. Deputy-Speaker: Christians also.

Shri Punnoose: No. Sir. Some of the biggest feudal families in the State will not come under the mischief of this law because there is inheritance for sons and daughters. One aspect of the case may be considered. For example, say, in Travancore-Cochin, land is a very precious commodity. A man having ten acres of land or eight acres of land with a moderate building will come under this measure, because the price of land is heavy. The man will come directly under taxation. I know people who leave behind them property worth Rs. 75 or Rs. 80 thousands, and whose children suffer. It is true that they have large property in the sense that if it is sold out, they will get a good price, say Rs. 90,000 or so. In a State like Travancore-Cochin, where land is so dear, and therefore very costly, this border-line of Rs. 75 000 is not at all fair. Some way has to be found out. Else, the responsibility will fall squarely on the shoulders of the Government. I frankly say that there is no point in saying that all of us belong to India, that there is no regional, linguistic or provincial considerations. All these arguments will not do, because large sections of people there will believe that their disabilities and their interests have been overlooked.

Shri C. C. Shah (Gohilwad-Sorath): I wish to say a few words about amendment No. 616 and the explanation to sub-clause (2) of clause 7. Amendment No. 424 has the same purpose as amendment No. 616, but in my opinion amendment 424 is inappropriate because it seeks to apply the *Mitakshara* system to every person under this Bill. Obviously, that cannot be done. Amendment No. 424 applies even to Christian, Parsi and Muslim communities. We cannot change the personal law of everybody by an amendment under this Bill. Secondly, that amendment speaks of properties which shall be governed by *Mitakshara* system. It is a *person* who is governed by the *Mitakshara* system, not *property*. Therefore, that amendment, from both points of view, is, if I may respectfully submit, out of order.

Amendment No. 616 moved by Mr. Chatterjee meets both these objections. It speaks of persons who shall be governed by—and it only confines itself to—*Dayabhaga*. But even as far as amendment No. 616 is concerned, there are certain objections to it, and I shall presently mention them. I cannot ignore the fact that both the amendments—424 and 616—arise out of a strong feeling on the part of the Members governed by the Dayabhaga school that there is some discrimination against those who are governed by that school. It is a very strong feeling which we cannot ignore. But I wish to point out that the sense of injustice under which they labour is not so great as it is made out to be. The Rs. 75,000 limit applies not only to *Dayabhaga* but it applies to all Muslims, Christians, Parsis—in fact everybody except *Mitakshara* joint family. So, that is one factor which has to be taken into consideration. It is not only against Hindus that are governed by *Dayabhaga* that the discrimination is there but it is against everybody except those governed by the *Mitakshara* system.

Secondly, even amongst the Hindus governed by the *Mitakshara* school, it is not everybody who is getting the benefit. It is only those who have joint family property—and there are very few in this category—that enjoy the benefit. Take, for instance, my own case. I am governed by the *Mitakshara* school of law. I have no property—joint family property, as opposed to self-acquired property.

An Hon. Member: How to find it out?

Shri C. C. Shah: It will be disclosed at the time of my death. Let me be permitted to go on.

Mr. Deputy-Speaker: Yes.

10 A.M.

Shri C. C. Shah: So, even amongst those governed by the *Mitakshara* joint family system, there are many persons who will not get the benefit—or rather, there is discrimination. That is the proper way of putting it There is some advantage given to joint family properties. If I quote

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some figures, you will find that out of the eight lakhs of assessees, the joint family assessees are only 64,000.

Mr. Deputy-Speaker: What is the intention of this Bill? Is it to tax the property of the deceased? Unless all members of the joint Hindu family die, the whole property cannot be taxed. The property belongs to all the members of the joint Hindu family. In the other system, only one man wants to enjoy the benefit of exclusive ownership of property. Therefore, the property is taxed in the hands of one or the other. Where is the discrimination against the joint Hindu family? Is it to be treated as if all the members have died even though only one member dies?

Shri C. C. Shah: His interest in the property, on his death, will be taxed.

Mr. Deputy-Speaker: Therefore, where is the discrimination?

Shri C. C. Shah: Out of the eight lakhs of assessees, only 64,000 come under the joint Hindu family, but even so, I concede that in the initial stage, the joint Hindu family governed by the *Mitakshara* system has some advantage over the *Dayabhaga*. That has been argued at length and I do not want to go into it again. But taking the initial advantage, as against the subsequent disadvantage, it was pointed out by so many Members that there was no discrimination. But one must say, balancing all the factors, that the amount of the disadvantage or the discrimination is not so great as is sought to be made out. Even so, there is a slight disadvantage. Two ways are suggested for meeting that discrimination or the sense of injustice. One way was suggested by Mr. Thomas. That was to increase the limit of Rs. 75,000 by a little bit. There is another way also, and that is to decrease the limit from Rs. 50,000 to a little less.

An Hon. Member: No, no.

Shri C. C. Shah: That is a method which can be adopted and which should be adopted. There is a sense of injustice that the exemption limit given to *Mitakshara* families as compared with the exemption limit given to non-*Mitakshara* families is high. There are two ways of meeting it. As I said, either one could be increased or the other could be decreased. In spite of the fact that I have given notice of an amendment to increase the amount from Rs. 75,000 to Rs. 1,00,000, after careful consideration, I have come to the conclusion that it is better to reduce the limit below Rs. 50,000 rather than to increase the limit from Rs. 75,000 to something more. The Government have yielded to man of property at several points. Even after the report of the Select Committee, amendments after amendments come in, and they surrender, so to say, to every point here and there. We must cry a halt somewhere. Probably, the cry of discrimination to the *Dayabhaga* system may be an indirect way to benefit all the rest, I do not know. But I would certainly object to any increase made in the exemption limit of Rs. 75,000, taking into account the amendment to clause 9 and the several amendments which are being moved, each giving concession after concession. Mr. Chatterjee's amendment No. 616, on the face of it, appears reasonable in the sense that all of them may be treated equally.

Shri U. M. Trivedi (Chittor): Sir, a point of order. No. 616 is an amendment to clause 5.

Shri N. C. Chatterjee (Hooghly): You may remember, Sir, that you pointed out that No. 616 should really be discussed along with clause 7. It is an amendment to Mr. Sarmah's amendment to No. 424 and Mr. Sarmah was allowed to move that amendment yesterday.

Shri C. D. Deshmukh: I suppose the form of the amendment will have to be changed so as to fit in clause 7.

Shri C. C. Shah: Amendment No. 616, on the face of it, as I said, appears reasonable in the sense that it seeks to treat everybody, *Dayabhaga* or *Mitakshara,* equally. But I do not know what the legal implications of such an amendment will be. Frankly speaking, I have not worked them out. But, one sometimes, has an instinctive reaction. My instinctive reaction, as a lawyer, to this amendment is that it will land us in greater difficulties than the difficulties which it seeks to solve. There are other ways of meeting that sense of injustice or discrimination which is felt by the Members of the *Dayabhaga* system. But, to attempt, in a measure of this nature, to say that the two systems which have far-reaching implications in their character, shall be treated equally as if there were no distinctions between the two, will be landing us in very great difficulties. My hon. friend Mr. Nathwani has worked out some of the implications of the amendment and the difficulties into which it is likely to land us. He will speak on them and I do not want to take the time of the House on that. My own feeling is that instead of attempting to simplify the matter by an amendment of this nature, a little adjustment can be made in the exemption limits, either lowering the one or raising the other. I would rather lower the one than raise the other.

My second submission is this. After all this Bill is not final in the sense that no amendment or no change can be made in it. Let us watch and see the working of this Bill for a couple of years. If, as a result of that, we find that it works a great hardship to those governed by the *Dayabhaga* system, there is nothing to prevent us from changing the law. In fact, I find a sort of feeling growing that we must amend this Bill and make it perfect, so to say, in every respect because it is going to be final and remain permanent. In fact, as one goes through the history of estate duties in England, enactment after enactment was heaped upon it in order to make changes arising out of experience. There is no reason why the same process should not be followed here. In this particular case, if we find as a result of experience that great hardship is caused to those who are governed by that system, some change can be made at that stage. There is nothing final or sacrosanct about any provision which we now pass which cannot be amended thereafter.

Shri S. V. Ramaswamy (Salem): Why not start with large exemptions?

Shri C. C. Shah: That is a question which I will answer at the proper time. I do not want to take the time of the House on this amendment. If we analyse all the amendments, we find two clear-cut divisions: some amendments which seek to exempt or take out as much property as possible from the purview of estate duty and others which seek to bring in as much as possible. There are only two provisions on which I differed: one was about public charities and the other was the necessity for having a judicial tribunal, on both of which I have submitted my views. Barring these two, in my opinion, this Bill is a mild measure. This Bill should not be watered down to any extent in any shape or form. Therefore, I oppose strongly any attempt to water down this Bill in this direction or that.

I want to say a few words about the Explanation to sub-clause (2) of clause 7. I am speaking on a point of information only, because reading that Explanation along with the amendment tabled by the hon. Finance Minister, I wish to know what it means: I mean sub-clause (2) in the light of the amendment which relates to the addition of a new clause 37A. In the first instance, what passes on the death of a coparcener is his interest in the joint family property. That interest is defined under the amendment now moved to sub-clause (2), namely, if he has not attained the age of 18, that interest will not be taken into account unless he has no male ascendant. What is that interest which will pass? That is the explanation which I seek. The

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necessity for that explanation arises out of the proposed clause 37A. I will take a simple instance. A joint family consists of three brothers. One of the brothers dies. His interest is one-third. Supposing that brother has two sons. Is the interest which passes his one-third or one-ninth? That is the question which I wish to put. I have some doubt in my mind because of that amendment.

The Deputy Minister of Finance (Shri M. C. Shah): That is clause 37A.

Shri C. C. Shah: That really relates to clause 7.

Shri S. S. More (Sholapur): What is the amendment moved by Mr. Deshmukh? That amendment is an amendment to clause 37A.

Shri C. D. Deshmukh: He refers to that amendment for illustrating his difficulty.

Shri S. S. More: What is the number of your amendment?

Shri C. D. Deshmukh: The amendment moved is No. 467. The amendment that I am going to move is 544. That is for another clause. That is relevant to this clause.

Shri C. C. Shah: The question is about the interest of the coparcenary passing on death. Under sub-clauses (1) and (2), the property which will pass on death of a coparcener will be his interest in the joint family property. What is that interest? I wanted to examine that in the light of the Explanation to sub-clause (2). The Explanation to sub-clause (2) says:

> "Where the deceased was also a member of a sub-coparcenary (within the coparcenary) possessing separate property of its own, the provisions of this sub-section shall have effect separately in respect of the coparcenary and the sub-coparcenary."

I gave the illustration. Supposing there are three brothers and one of the brothers dies. His interest in the joint family is one-third. But, he formed a sub-coparcenary with his two sons, so that, really his interest is one-third of that one-third, namely, one-ninth. I want you to understand that also, Kaka Saheb.

Shri A. M. Thomas: On a point of order, Sir. In innumerable instances, it has been found that Members specially appeal to Mr. Gadgil. A vote of any hon. Member of this House is equal to the vote of Mr. Gadgil.

Shri Gadgil (Poona Central): He was saying that I was inattentive.

Shri A. M. Thomas: We can understand a Member appealing to the Treasury Benches because they represent the Government. Is it proper to appeal to an individual Member like that?

Shri Gadgil: I will ask him to address you.

Shri C. C. Shah: I have not made any appeal to Kaka Saheb.

Mr. Deputy-Speaker: If hon. Members delight in doing so, and if the individual hon. Member also takes it in greater delight, I do not want to stand in the way.

Shri S. V. Ramaswamy: It seems that Kaka Saheb is the Father of the Bill.

An Hon. Member: Godfather.

Shri C. C. Shah: Following the illustration which I was giving, Mr. Deputy-Speaker,.........

Pandit Thakur Das Bhargava (Gurgaon): Where is this amendment No. 544?

Shri C. C. Shah: List No. 13, page 8.

I may take this instance. There were three brothers as I said and one of the brothers dies. He has two sons Under sub-clauses (1) and (2) of clause 7 as it stands, his interest will be one-ninth as it is understood commonly. If you read sub-clause (1) in amendment No. 544, it says:

> "………the principal value of the share in the joint family property which would have been allotted to the deceased had there been a partition immediately before his death."

If there had been a partition before his death or at the time of his death, his share would have been one-third. As I read amendment No. 544, sub-clause (1) along with sub-clause (2), the intention appears to be to consider the interest to be one-third and not one-ninth.

Shri M. C. Shah: You are right; one-third.

Shri C. C. Shah: I refer to this in order to point out to the Members governed by the *Dayabhaga* system that the amount of benefit supposed to be derived by the persons under the *Mitakshara* system is much less than what ordinarily would have been, the case because, ordinarily the interest of the man dying would be one-ninth, because the one-third he gets—his own interest in it—is one-third of the one-third, because his sons get an interest by birth, but for the purposes of this taxation, if amendment No. 544 stands, it is the one-third which will be taxed, and not one-ninth and therefore, that sense of injustice which the Members of the *Dayabhaga* seem to labour under is not so great as it is supposed to be.

Shri C. D. Pande: If it is a co-parcenary between father and son, then what happens?

Shri C. C. Shah: That is precisely what I was talking about. When you come to assess or value the share of the deceased, that valuation will be in terms of amendment No. 544, and that says that the principal value of the share of the deceased shall be the share which would have been allotted to him on partition immediately before his death. The share which would have been allotted to him on partition immediately before his death would have been one-third.

Pandit S. C. Mishra (Monghyr North-East): One-ninth.

Shri C. C. Shah: Well, I would like an explanation from the Finance Minister.

Shri C. D. Pande: May I just put a question?

Shri C. C. Shah: It cannot be one-ninth.

Shri C. D. Pande: Take this example. If there is a person who shares his property with his sons when he dies, what happens? Have the sons a share in the property or not?

Shri C. C. Shah: Undoubtedly. If it consists of only his sons and there are no other co-parceners or brothers or cousins, then I agree it would be between father and sons, but I am talking of a co-parcenary which consists of brothers and sub-co-parcenaries in the case of each brother. I would request Members to consider this and I might……

Shri C. D. Pande: If there is father and sons and nobody else?

Mr. Deputy-Speaker: Hon. Members must have a sense of time also. Of course, one can go on talking the whole day with respect to one single amendment. The hon. Member must state the point.

Shri C. D. Pande: The point is clear.

Mr. Deputy-Speaker: He has already said he is going to look to his friend on the right side to clarify. My mind is constantly on the clock. We have to finish up to clause 29 by this evening.

Shri C. C. Shah: I will take as little time of the House as possible. It is rarely that I speak, except on important occasions.

Mr. Deputy-Speaker: I am not preventing the hon. Member from speaking.

Shri C. C. Shah: I only wish to point that out.

Take the Explanation. The Explanation speaks of "a sub-coparcenary (within the coparcenary) possessing separate property of its own." That

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I can understand. If the father and sons have their own independent property apart from the share in the joint family property, to them the Explanation, in my opinion, is intended to apply, but it is not intended to apply to the share which the father gets out of the joint family property. I am making this submission with a view that the Finance Minister may consider it, and we may know exactly what the intention of the Explanation is read with amendment No. 544 and particularly in view of sub-clause (2) of that amendment.

There is only one word more which I wish to say. There is an amendment which seeks to raise the limit from 18 years to 21 years. Nobody has spoken in support of it. I see no reason why that limit should be raised, and I oppose that.

Shri N. P. Nathwani (Sorath): I rise to oppose the amendment moved by my hon. friend Shri Sarmah and others and I also oppose the amendment which is in the name of Shri N. C. Chatterjee. They deal with the same subject, though the scope of the amendment moved by Shri Sarmah is a bit wider.

With due respect to the hon. Members who have tabled these amendments—and I have got great respect for Shri Chatterjee who is an eminent counsel—I feel that this is a clumsy attempt to interweave the concept of property held in absolute ownership with the concept of coparcenary and the coparcenary property. Both these amendments assume that there is discrimination against the *Dayabhaga* school and other systems of inheritance. I would, for the purpose of argument, assume that there is a discrimination, but the hon. Members do not seek to remove the discrimination by either raising the limit of Rs. 75,000 or by lowering it. What they seek to do is to put the members of other systems on par with the members of a coparcenary, but let us see what would be the effect. In my opinion, if these amendments are accepted, they would suffer from the same infirmity or drawback from which they say that the present provisions are suffering, *viz.*, that there is a discrimination.

Now, some concession has been sought to be given to the coparcenary because in the case of coparcenary a son takes an interest on his birth; secondly because a coparcener cannot dispose of his share by gift, but if this amendment is given effect to, what would be the position? I submit there would be discrimination against the members of coparcenary, and the discrimination would arise in two ways. I want my learned friend Shri Chatterjee to consider this aspect, and if possible, if he thinks fit, to deal with it.

For the sake of illustrating my argument, I take the very example which was cited by Shri Sarmah. Suppose there are two families living side by side in Calcutta. One is governed by the *Mitakshara* school, the other governed by the *Dayabhaga* school, but in the case of the *Mitakshara* family any coparcener—the father—would not be able to alienate his share by way of gift during his lifetime. I think there cannot be any dispute about this position, but in the case of *Dayabhaga*, they would have an added advantage. The father can dispose of by way of gift any amount of property or even the entire property. In some cases a coparcener can make gift of his share. But there is a difference then. He has to obtain the consent of the other coparceners before he can alienate by way of gift. But as the position stands, you have to consider whether it would not discriminate against the members of the coparcenary. If he cannot give away by way of gift, but the head of the family in the *Dayabhaga* school can give away by way of gift, and reduce the estate and thus would have an added advantage over the father in the *Mitakshara* joint family

[SHRI PATASKAR *in the Chair*]

There would be another discrimination, and it would arise in this way. Both the amendments do not take into consideration the self-acquired property which a member of the coparcenary under the *Mitakshara* school may own. You are trying to give to the members of the *Dayabhaga* school the same position as obtains regarding a coparcenary and joint family property. But then, after this amendment is accepted, a coparcener who owns also self-acquired property will have to pay tax on his entire self-acquired property and he would not have the benefit of the concession which they want to obtain under these amendments. Therefore, there would be a discrimination against a member of a coparcenary who owns, in addition to his interest in the coparcenary property, self-acquired property. How is it proposed to deal with it? Therefore, I say that the amendments will suffer from the same drawbacks, from the some weaknesses which the hon. Members state that the present provisions are suffering from. For this reason, I oppose these amendments.

Several Hon. Members *rose*—

Mr. Chairman: I will give time to everybody. Of course, the Members may not repeat so that we can accommodate as many Members as possible.

Shri N. Somana (Coorg): We have our own separate amendments. Kindly give us a chance.

Shri N. C. Chatterjee: I shall be very short.

I must enter my protest against the observation made by some of my hon. friends that the *Dayabhaga* is rightist. I contend that it is a leftist measure, much more progressive than the old *Mitakshara* system.

Shri S. S. More: Not as far as inheritance is concerned.

Shri N. C. Chatterjee: Dr. Jolly, the greatest authority on Hindu law has said—I am quoting his language:

> "Jeemuthavahana, the author of the celebrated *Dayabhaga* will always occupy one of the foremost ranks in Hindu law literature, as being not only the leading authority of the Bengal school but one of the most striking compositions in the whole department of Indian jurisprudence."

Dr. Buhler, equally eminent and competent to speak on the subject has taken the same view. You should realise that *Dayabhaga* was an organic growth in Bengal. In that part of India, there was no question of repudiation of the cardinal principles of Hindu jurisprudence. But as you know better than anybody else, Hindu law has been a natural and organic development, linked with the traditions, customs and regional affinities of the people, and when Bengal had developed international trade with Sumatra, Java, Bali, the Indian archipelago, Indo-China and Siam, it was found impossible to have the old coparcenary maintained in that particular part of the country. Therefore, this great man, who was himself a Minister of Justice under one of the Sena Kings of Bengal, developed this kind of jurisprudence, the cardinal principle of which is this.

तत्र दायशब्देन यद्धनं स्वामिसम्बन्धादेव निमित्तादन्यस्य स्वं भवति तदुच्यते।

According to Colebrook's translation, this means:

> "*Daya* means heritage, right arising by reason of relationship to former owner, on extension of his right either by natural death or by civil death."

That means you do not get an interest by way of mere accident of birth; so long as the father is there you cannot have any interest yourself.

The conception of *Mitakshara* is entirely different. *Mitakshara* says, if I remember the language aright,

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तत्र दायशब्देन यद्धनं स्वामिसम्बन्धदेव निमित्तादन्यस्य स्वं भवति तदुच्यते । स-च द्विविधेः अप्रतिबन्धः सप्रतिबन्धश्च ।

> "Here, the term heritage (*daya*) signifies that wealth which becomes the property of another, solely by reason of relation to the owner, it is of two sorts, unobstructed or liable to obstruction".

Sir. Dinshaw Mulla has pointed out that *Mitakshara* divides properties into two classes, *Sapratibandha* and *Apratibandha*, that is, obstructed heritage and unobstructed heritage. A heritage in which a person acquires a property by birth is called unobstructed heritage. We cannot have under the *Dayabhaga* any kind of unobstructed heritage. It is always obstructed, because you do not get any right by mere accident of birth; you have got to wait until the former owner dies.

I am saying this not in a spirit of levity. I have gone through the *Mitakshara*. I remember I was arguing a case in my younger days before an English Judge in the Calcutta High Court and I pointed out that *Mitakshara* coparcenary is a remarkable institution which deserved our admiration. He could not understand it. He asked me, "Mr. Chatterjee, who is this Mr. *Mitakshara*?" That was a common joke in Bengal, Bihar and Orissa for some years.

Shri C. D. Pande: The ghost has come here.

Shri N. C. Chatterjee: I told him that there was no "Mr. *Mitakshara*", but that it was the name of a book, a compendium or digest of Hindu law, framed by one of our greatest jurists. I am not minimizing the importance of *Mitakshara*, simply because I come from Bengal. If there is any one born in India, any Hindu jurist who is entitled to the highest respect of all, he is the great author, Vijnaneswara. His is a wonderful contribution to the unity and integrity of India. He was born in Kalyan in the Deccan which is now in Hyderabad, which we want to disintegrate, and he wrote a book called *Mitakshara*, which has been ruling the lives of millions and billions of people throughout India for centuries. He was an ascetic, he was called *Paramahansa, Yati, Sanyasi* or *Mahayogi*. What I am pointing out is not with a view to making any comparison or to indulge in an attitude of hostility towards the one system or the other. That is not the point. We respect both. It is the great contribution of *Mitakshara* that it has conquered the whole of India. In my part of the country, in Bengal, as you know well, being a distinguish lawyer, wherever the *Dayabhaga* is silent, *Mitakshara* still rules.

Dayabhaga, as you know, is only a portion of a bigger book called *Dharmaratna.*. Wherever *Dayabhaga* is silent, *Mitakshara* is ruling in Bengal, Bihar, Orissa and Assam, all the Bengalis and Assamese as also people belonging to Bengal but who have migrated to other parts of India.

We want to point out whether what you have done in this Bill is fair or not. Is it fair? Is it equitable or inequitable? In the course of my first speech, I had appealed to the hon. Finance Minister, and I am still appealing to him and I am not pleading merely for Bengalis or Bengali Hindus. I would be very happy if the same concession which I am demanding at the bar of this House will be extended to all, to Muslims, to Christians, and to Parsis, etc. who are outside the category of Hindu undivided family. I do appreciate the force of observations made by my hon. friend who has just spoken. Now take an instance of a family having a house and some cash, or property worth altogether rupees three lakhs. Let us suppose A is the father, and B, C, D, E, and F are his five sons. Now suppose that A is governed by the *Mitakshara* school, and he is the member of a coparcenary, and A dies leaving his five sons governed by the *Mitakshara* school of Hindu law. According to the hon. Finance Minister's latest Schedule of rates of estate duty, that joint estate, although it is amenable to the jurisdiction of the Controller, will have to pay zero or nil. According to the *Dayabhaga*, I have calculated—and the hon. Finance Minister will check me if I am wrong—that the father's estate will have to pay Rs. 22,916-12-0. Is this equity? Is this justice? Is this fairplay? Now I have got a small house. Unfortunately I have got one. it was foolish not to have disposed of it earlier. I have got a small house in Theatre Road. Calcutta. which I had built. Next door to me there is a big *marwari* gentleman. When I die—and the Estate Duty Act will accelerate that eventuality—and suppose that house is valued at rupees five lakhs, what happens? Supposing the gentleman who is my next door neighbour, who is a friend of mine dies, leaving a property worth rupees five lakhs, what happens in his case? Supposing he has four sons, he will have to pay a duty of only Rs. 2500. When I die, if I leave four sons they will have to pay Rs. 52,916-12-0. I have worked it out, and here is the account. I am giving these figures, and let the hon. Finance Minister correct me, if I am wrong. In both cases—one, a Hindu undivided family governed by the *Mitakshara* school, and the other a Hindu undivided family under the *Dayabhaga*—there are joint families..

Pandit Thakur Das Bhargava: In both cases, the property is acquired by the man.

Shri N. C. Chatterjee: If it is coparcenary and is governed by part I of the Schedule then the estate will be liable to a duty of Rs. 2,500. I am not blaming the hon. Finance Minister, I am not blaming the Treasury Bench, I am not blaming the framers of this Bill, but what I would like to point out is that whatever you do, there is bound to be a certain amount of discrimination. It is impossible to put them on exact parity.

Shri S. V. Ramaswamy: Is it not a fact that the *Dayabhaga* father can dispose of it, during his life-time, which right a *Mitakshara* father has not got? *(Interruptions)*

Shri N. C. Chatterjee: If I may continue, Sir, I know that there are certain handicaps also on a *Mitakshara* coparcenary.

I am not oblivious of that fact. But I am pointing out that this is a case of gross disparity, and side by side the incidence of taxation is very very heavy in one case and almost insignificant in the other.

I am not saying that because it is Rs. 2500 in one case and 52,000 in the other, therefore give me exemption to the tune of 10 or 15 or 20 or 25 times. That will be absurd. Our suggestion is three-fold. Let the Finance Minister think over it. I am appealing to him. Redress the inequity, redress the inequality, redress the discrimination. Try to make it more reasonable, fair and equitable. I am not covering the ground which Mr. Sarmah has already covered. What I am pointing out is this. This redress of inequality can be done in three ways:

First, accept my suggestion or accept Mr. More's suggestion. My suggestion is: treat a *Dayabhaga*, a Bengali Hindu governed by the *Dayabhaga*, an Assamese Hindu governed by the *Dayabhaga*, an Oriya Hndu governed by *Dayabhaga* or a Bihari Hindu governed by the *Dayabhaga*—there are millions of such people—as members of a constructive co-parcenary so far as father and sons are concerned. Then the discrimination will be reduced in many cases.

The second thing that I am submitting for the consideration of the Finance Minister is that this inequality—glaring inequality—can be redressed to some extent by raising the exemption limit in the case of the *Dayabhaga*. I am appealing to him that that will also be fair to the Muslim community and the Christian community. If you make it Rs. 50,000 or Rs. 75,000, it will be neither fair, nor reasonable nor decent. You have got to legislate for the country. You have got to legislate for existing conditions. You have got to legislate having regard to

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the traditions, customs and personal laws obtaining in the country. What I am submitting is this: certainly you can make it Rs. 1,50,000 or Rs. 1,00,000. Then there will be some redress. I am not saying that that would bring them on parity. Nothing will bring them on parity.

The third thing that I am suggesting is this. I have just tabled an amendment after my hon. friend, the Finance Minister has sought to move his amendment incorporating the rates of estate duty as a Schedule in the parent Bill which we are considering. You know, Sir, I raised a technical objection that was upheld, but then the Rules of Business were suspended. What I am pointing out is this. Look at the Schedule:

> "Rates of Estate Duty—Part I—'In the case of property which consists of an interest in the joint family property of a Hindu family governed by the *Mitakshara*........."
>
> Part II—'In the case of property of any other kind
>
> (1) On the first Rs. 75,000 of the principal value of the estate............nil
>
> (2) On the next Rs. 25,000...... 5 per cent.
>
> (3) On the next Rs. 50,000...... 7½ per cent.'..............."

What I am submitting is that you should reduce the rate of duty in the case of non-*Mitakshara* coparcenary people; that means in the case of *Dayabhaga* Hindus, for whom I am pleading, and also for Muslims. Christians, Parsees etc. You make it three per cent. in the first slab, five per cent. in the second and 7½ per cent. in the third.

Shri Tek Chand (Ambala-Simla): And divide the *Mitakshara* family, not a coparcenary.

Shri N. C. Chatterjee: Mr. Tek Chand knows that property of any other kind would cover separate property of a Hindu governed by *Mitakshara*. The father will also get the benefit of it. "In the case of property which consists of an interest in the joint family property of a Hindu family......", you come under Part I; otherwise you come under Part II. What I am pointing out is that the slab rates ought to be reduced. It is a matter for serious consideration. I am not saying that my suggestion is ideal. I have tried to think over it. I take it other Members also have tried to find a solution. It is a difficult problem. Everybody recognises it. Every fair-minded citizen of India recognises that there is going to be inequality and there is going to be discrimination between coparcenary and non-coparcenary. How to redress that? It is no use saying that 'you are born under a system under which there must be discrimination and therefore you must suffer'. No. Why? With regard to agricultural property, you give some concession. With regard to other kind of property, you bring them on parity as far as the incidence of taxation goes and there you stop. I am suggesting: let the Finance Minister and let his Deputy who is more hard-hearted.........

Shrimati Sucheta Kripalani (New Delhi): He is not listening.

Shri N. C. Chatterjee: I am appealing to him.

Shri C. D. Deshmukh: I have heard the appeal.

Shri N. C. Chatterjee: His Deputy is more difficult to tackle

Shri S. S More: What about Mr. Gadgil?

Shri N. C. Chatterjee: Mr. Gadgil is already converted.

When we—Bengal and Assam Members—went in deputation to Mr. Shah, he said that he would sympathetically consider our appeal. I take it he is still considering it! But what I am suggesting is, do any of the three. Have a constructive coparcenary with regard to other cases: do not reduce the Rs. 50,000 in the case of *Mitak-*

shara. That is not too high. Do not make it Rs. 30,000. I say Rs. 50.000 is a reasonable limit when you are not exempting the residential houses. What is this Rs. 50,000? I do not think it is fair for me, if I am not going to be governed by that, to say: reduce the 50,000 and make it Rs. 20.000. That will be spiting others without doing any good to us. What I am suggesting is: raise the exemption limit to Rs. 1.50,000, or vary the rates and make them in the second part more equitable and more just.

Shri C. D. Pande: I wish to support the amendment moved by Mr. Sarmah. (*Interruptions*). Since the very inception of this Estate Duty Bill......

Shri S. S. More: May I ask one question which is in the interest of the economy of time of this House? Congress Members have been supporting and making speeches. But when a whip is issued, as a matter of fact, they go back, with the result that the time of the House is wasted. We are spending Rs. 80 per minute.

Mr. Chairman: Order, order. The Chair has nothing to do with this.

Shri C. D. Pande: I was saying that since the very inception of this Estate Duty Bill there was an opinion—and that was a very sound opinion—that instead of death duty, there should be inheritance tax or succession tax. That means, instead of computing tax on what a man has left, there should be a better method of computing tax on what one has received from the deceased.

You will observe that now in the case of *Mitakshara* school this has been practically put into action indirectly. In the case of *Mitakshara*, the tax, as it will be levied, will work out as if it is an inheritance tax, whereas in the case of the *Dayabhaga* school it will work out as if it is a death duty. The difference is that in the case of a man belonging to the *Mitakshara* law, his share will be according to the number of sons. That means, if the property is worth rupees three lakhs and there are three sons, each son will be worth about rupees one lakh. If there are four sons, then the share will be Rs. 75,000. In this way, this is, in fact, in an indirect form, an inheritance tax, whereas in the case of *Dayabhaga* it is, pure and simple, death duty.

I will explain by illustration as Mr. Chatterjee has done. If a man leaves —according to the *Dayabhaga* system —Rs. 75.000 and three sons, the inheritance of each son is only Rs. 25,000 —within the limit which you can tolerate according to Gadgil school of economic ideas. That man should have at least Rs. 50.000 which can be tolerated. If a man leaves Rs. 80,000 and has got three sons, then one son gets only Rs. 26.000 and yet he has to pay the tax; whereas under *Mitakshara*, even if a man has got Rs. three lakhs and three or four sons, he pays almost nothing. Therefore, the discrimination is so invidious and so obvious that those who belong to the *Dayabhaga* school feel more mortified when they hear that so much advantage is given to those belonging to the *Mitakshara* school.

Mr. Chairman: I think the hon. Member will need some more time.

Shri C. D. Pande: Yes, I will continue later.

Mr. Chairman: He may continue in the afternoon. We will now proceed with the resolution of Shri Gopalan.

RESOLUTION *RE* UNEMPLOYMENT —*Contd.*

Shri A. K. Gopalan (Cannanore): The other day I was speaking about the growing unemployment in our country. Our hon. Finance Minister has given an amendment to that resolution. I am not going to speak about the merits of the resolution. But I want to point out that the Finance Minister in that amendment has shown that there is growing unemployment in our country. I am glad that the Finance Minister has at last admitted that there is growing unemployment.

The Minister of Finance (Shri C. D. Deshmukh): Why at last?

Shri A. K. Gopalan: I do not want to enter into a controversy now. Anyhow I am glad that the Finance Minister has said that there is unemployment and that it is growing. I want only to show that the growth of unemployment is not as we think it to be. From the reports in newspapers we can see during the last one week how thousands of people have been thrown out of their offices, out of their jobs. This figure does not include those who are not organised and those who are working in the rural areas. When I was last in Calcutta I was approached by the *Times of India* employees who were thrown out, about a thousand of them. There were also some Government officers, about 80, who had been given notice in Tripura that they have to quit office after three months. So, I want only to show that there are certain aspects of the question of unemployment which we are not able to see because there are no figures about them—those about rural unemployment in the countryside. I do not want to go into the basic causes of unemployment and the solution of that. We have been discussing the Five Year Plan. We had pointed out the Plan can only be a failure because the basic cause of unemployment and the remedy are not there in the Plan. We decided that as far as rural unemployment is concerned, if there is no distribution of land and if those landless peasants and poor peasants do not get land, then, certainly, the problem of rural unemployment cannot be solved.

The next point that we pointed out is that without development of industry, without confiscation of the British capital and also giving protection to the national industry, certainly, full employment cannot come and the question of unemployment cannot be solved in that way. As far as these two points are concerned I do not want to deal with those basic points because the object of my resolution is that some immediate relief must be given to the unemployed and what the measures of immediate relief are. So, I want to concentrate on those basic points.

The first point that I have to bring forward is that something must be done immediately to relieve unemployment. For that at least a sum of rupees 50 crores must be set apart so that in the rural areas where the people are on the verge of starvation due to unemployment, free kitchens may be opened. And, as far as the towns are concerned, where there are those who are retrenched and are thrown out of job, some help in the form of cash may be given to both skilled and unskilled workers. I read in the papers that the Prime Minister has said that the system of giving unemployment relief, these doles—I do not say so—is a wrong policy. I only want to appeal to the Government and say that it is the duty of the Government to see that those who are unemployed are employed. We do not say that this can be done within a day or two or within one or two years. We had the Five Year Plan and we have all understood the result of the Plan during the first three years. There are no figures about unemployment and we do not understand how far the Government has been able to solve it. What we have to do is that the young men who are unemployed, both educated and uneducated, and who are on the verge of death and starvation must be saved. What I want to place before Government is the fact that there is a battle in the countryside and in the towns among the educated as well as the uneducated unemployed, a battle for life. They want to live, they want to work, they want to be useful to the country and they want to be useful to the nation. It is not that they are not ready to work. There is another point brought but that the educated unemployed are not ready for manual work, as if those who are ready for manual work are employed today. There are several lakhs of people today who had been working for so many years and who are thrown out of employment. So the question does not arise whether the people are ready to work or not. Certainly, everybody is ready to work. So, immediate relief for those who are in danger of life, for those who are on the verge of starvation and death due to so many causes caused by unemployment should be given by the Government. Therefore, the first remedy that I place before the Government is that the Government should immediately set apart at least as a token grant a sum of Rs. 50 crores and this should be used firstly in the rural areas for free kitchens and in the cities to give small cash both to skilled and unskilled workers.

The next thing that I want to place before the Government is that the Government must issue an Ordinance or pass legislation by which retrenchment as well as closure of factories and other things must be stopped. There are already persons who are not employed. We have seen that during the last one year several factories had been closed. I have already referred to the cottage industries and the handlooms and Government has also said that lakhs of people in the handlooms and the cottage industries are unemployed. So, it is the duty of the Government to see that the workers are not left at the mercy of the employers. Not only in the private sector, but also in Government services there are thousands of people who are retrenched. I understand that in some places where those persons had to be retrenched and where there was scope for them to be absorbed in some other places in Government service, even that has not been considered by the Government. So the question is to save those who have already been in service either under Government or in factories for the past so many years and who are now thrown out of employment. This can be done only if Government pass legislation or an Ordinance to stop retrenchment. If there is any possibility of the closure of factories, the Government should first of all go into the issue and see whether there is any reason for retrenchment and if it has to be done then, certainly, the workers should be given unemployment allowance. Because every person who has had some job for so many years, if he is thrown out of it after so many years, will find it difficult to get a job and his position is far worse than that of those who are not already employed. Government has also to see that if any help has to be given, it should be given immediately so that the factories may not be closed and the workers are not thrown out of employment.

The third thing that I have to place before the Government is that an immediate cut of 30 per cent. should be made in the prices of food and cloth. In addition to the unemployed in the country, there are also those who are under-employed. As far as the prices of consumer goods, especially food and cloth are concerned, there is an increase in the prices and if there is a reduction of at least 30 per cent, that will surely give some relief.

The fourth point that I bring to their notice is that as far as the handlooms and cottage industries are concerned, there is accumulation of stocks today and the reason why the factories are closed is that there is accumulation. So, the Government should buy up in bulk all the stocks in the handlooms and the powerlooms and they should have their own agencies to sell them. They should also see that cheap credit is given to the operators of these factories. Development of cottage and handloom industries is one of the items in the Eleven Point Programme of Government. But there are already lakhs of people who are unemployed. Government is not able to put the Plan into operation, because the cottage industries are lying idle on account of accumulation of stocks. The owners of these industries are not able to find a market for their produce. There is no market because the purchasing power of the people is limited. It is the duty of the Government to purchase the stocks or find a market for them. In the meantime, Government should give cheap credits to the operators of these handloom and cottage

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industries so that they may be revived so as to afford employment to a number of people who are now idle.

My next suggestion is that Government should immediately undertake a national housing programme and also other programmes of irrigation, and road and rail development. This is important in two ways. It will solve the unemployment problem to a certain extent. There are many places in the interior of India where there are no roads at all. The other day I had been to Tripura. I found that there is no land communication, either rail or road, from one place to another. The only means of communication from one division to another is by air. Similarly there are several places in our vast country which are connected neither by road nor by rail. So, a big national housing programme, as also road and railway construction would be an immediate solution to the question of unemployment.

It has already been stated here that as far as the educated unemployed are concerned, Government is also thinking of having an educational programme. But how far it is going to solve the problem of educated unemployed I am not sure. The need of the country according to the programme is so many lakhs of teachers. The hon. Finance Minister replied this morning in answer to a question that there are some schools which are closed. If some immediate steps are taken to reopen these rural schools, it will go to some extent in affording employment to the educated persons.

The next point that I have to suggest is that Government must stop the import and also cancel orders with foreign countries for all such goods as are being manufactured in India in order to help the national industries to maintain and increase production and provide employment to more persons. From the reports of evidence given before the Stores Purchase Committee we find that Government is today spending crores and crores of rupees on purchase of things from foreign countries which are available here, or which though not at present available can easily be produced locally. If the policy of stopping foreign imports is enforced immediately, it will lead to the development of our national industries and provide employment to a number of our people.

I have only mentioned some points. The time at my disposal does not permit me to go into the details, which I shall do at a later stage. But what I wish to impress on Government is that the problem of unemployment is growing. There has been a Plan, but the Plan has not succeeded. That Plan has failed and today the situation in the country is such that immediate relief to the people is necessary. We know that the reports which appear in the papers are not believed by our Ministers. But they know the real situation in the country: there is acute famine and unemployment, and added to that there is every day retrenchment, persons being thrown out of their jobs, not knowing what to do.

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The measures I have suggested will never be a permanent solution to the unemployment problem; they are only palliatives, affording immediate relief. If Government are serious about solving rural unemployment, they have to take away the land from the landlords and, even if it be half a *bigha* or one *bigha*, distribute it among the landless peasants. In that case the poor peasant will have something to depend on. The other solution is industrialisation on a large scale, confiscate the British capital and encourage production by national industries. If we stop competition from foreign capital our national industries are bound to develop.

In regard to the question of unemployment relief, it has been said that it would be degrading, it would be undignified for people to ask for 'doles'. Certainly it is not so. A man asks for some relief, because it is the duty of the Government to give him some job. It has been said by our Prime Minister himself that a Government that is not ready to give some job or some unemployment relief to the people of the country is a Government that is unfit to govern the country. The people are crying: we are ready to work; give us any work that you want us to do: not only can we do some service to the country, but let us also live. If they ask for some unemployment relief it is not because they do not want to do any work; it is because they are not given any work and they do not want to die. As far as immediate relief is concerned, it is not a degradation. Certainly it is degradation to see that foreign capitalists are taking crores and crores of rupees from our country. Every day reports are appearing in the papers that people are dying, that they are committing suicide and there is acute famine in the country—that is degradation. To help people who are ready to work, to give them some temporary relief to keep them alive so as to be useful to the country when jobs can be given to them, is the elementary duty of the Government. I would, therefore, request the Finance Minister as well as the Government to deal with this problem of immediate relief to the unemployed quickly. Or else only two things can happen. A large section of the people in our country, educated as well as uneducated unemployed will lose their lives. They will die and Government will be responsible for finishing the people. In such a contingency, people may finish the Government. Either the Government will be finished, or the people will be finished. That is the only consequence that will follow if Government does not respond to the call for immediate relief that is necessary to the people.

Mr. Chairman: Resolution moved:

> "This House is of opinion that immediate steps be taken to arrest the growth of unemployment in the country and to provide relief for the unemployed."

To this resolution I have received a number of amendments.

Hon. Members who wish to move their amendments may do so.

Dr. M. M. Das (Burdwan—Reserved—Sch. Castes): I beg to move:

That for the original resolution, the following be substituted:

> "This House is of opinion that immediate steps should be taken to ascertain the causes of unemployment in the country and to find out suitable measures for the removal of those causes."

Shri S. N. Das (Darbhanga Central): beg to move:

That for the original resolution, the following be substituted:

> "In view of the directive principles of State Policy with regard to securing the right to work and to public assistance in cases of unemployment, this House is of opinion that immediate steps be taken to carry out an all India survey of employment as well as of unemployment with a view to find out the extent and nature of unemployment in the various sectors of society, the causes of growing unemployment in the country and to suggest ways and means if necessary by suitable legislation or changing the pattern of economic organisation so that every able-bodied person may get work, a living wage and conditions of work ensuring a decent standard of living and full enjoyment of leisure and social and cultural opportunities.
>
> This House is further of opinion that pending a fuller survey prompt measures like promotion of cottage industries and opening of other avenues of employment be taken up immediately as a short term remedy

Prof. S. N. Mishra (Darbhanga North): I beg to move:

That for the original resolution, the following be substituted:

> "This House is of opinion that immediate steps be taken to appoint a Commission to examine and report on the nature, extent and causes of the growth of unemployment in the country and to make recommendations to the Planning Commission with regard to extensions and alterations in the First Five Year Plan in such appropriate directions as may lead to an increase in the volume of employment that may be adequate for the unemployed who are capable of and available for work."

Shri Frank Anthony (Nominated—Anglo-Indians): I wish to move my amendment No. 16 in List 4.

Mr. Chairman: So far as that amendment is concerned, it says:

> "That in view of the steady increase in unemployment, which has now reached an unprecedented figure, this House is of opinion that the policy indicated in the Five Year Plan has proved inadequate and that urgent, drastic steps be taken to reduce expenditure by Government...etc."

I would refer the hon. Member particularly to the words "that the policy indicated in the Five Year Plan has proved inadequate". If we look to the main resolution, the resolution of course is very broad and it comprises of so many things—"This House is of opinion that immediate steps be taken to arrest the growth of unemployment in the country and to provide relief for the unemployed". It includes everything, it includes the Five Year Plan. But what Mr. Anthony proposes in his amendment is: "In view of the steady increase in unemployment........ the policy indicated in the Five Year Plan has proved inadequate and that urgent, drastic steps be taken to reduce expenditure by Government.........etc". I will say that the emphasis in his amendment is perhaps not so much on the questions there—in the main resolution—but on the point that the policy indicated in the Five Year Plan has proved inadequate. I think he should rather take another occasion to speak about the inadequacy of the policy indicated in the Five Year Plan. The emphasis should not be on that. I am inclined to think that this restricts it rather unnecessarily.

Shri Frank Anthony: My amendment is not confined only to the Five Year Plan. It is three-fold in character. It implies that the Five Year Plan has failed to relieve unemployment, and if I speak I should suggest certain measures to be taken in addition to the Five Year Plan. The second part is that Government should adopt a policy of drastic retrenchment.

Mr. Chairman: I am not referring to the other part. The only thing which restricts it is the wording that "the policy indicated in the Five Year Plan has proved inadequate". It may be one of the factors that has led to unemployment; he can advance that as an argument.

Shri Frank Anthony: There is the positive aspect that since it has proved inadequate other steps are necessary, and that is the aspect I wish to emphasise.

Mr. Chairman: So far as the other aspect is concerned it is in order. But so far as this reference to this particular thing is concerned, namely "that the policy indicated in the Five Year Plan has proved inadequate". I think that is rather inconsistent with the resolution, and if he is prepared to move his amendment minus these words he may move. Because we are not now discussing the Five Year Plan. (*Interruption*). I would like to hear in full the hon. Member who has given notice of the amendment. I would like the hon. Member to make it clear as to how this portion of his amendment wherein he says that "the policy indicated in the Five Year Plan has proved inadequate" is consistent and within the scope of the main resolution that has been moved. which is that "this House is of opinion that immediate steps be taken to arrest the growth of unemployment in the country and to provide relief for the unemployed". That immediate steps be taken to arrest the growth of unemployment in the country. is the first part; that relief be provided for the unemployed, is the second part; these are the two things with which the resolution concerns itself. Questions as to what are the results of the Five Year Plan or any other acts by the Government or the people—these are other matters. We should concentrate on these two things contained in the resolution. Therefore, this reference to the Five Year Plan does not fit in with the resolution. I would like him to make it clear.

Shri Frank Anthony: I do not wish to enlarge on my argument. This is the very core of the problem. I shall attempt to show in my own way that the Five Year Plan has fallen down because it is a long-term policy and it has failed to relieve unemployment, and I shall suggest certain short-term measures in addition to the Five Year Plan. It goes to the very core of the unemployment problem.

Mr. Chairman: This portion, that the Five Year Plan has proved inadequate. may be one of the reasons and he is perfectly entitled to advance it as an argument.

Shri C. D. Deshmukh: Sir. I do not know whether you are going to give a ruling. While you are going to give your ruling. will you kindly look at my amendment because that also contains a reference to the Five Year Plan?

Mr. Chairman: I think there is this distinction between the two. On account of unemployment it is one thing for somebody to say that the Plan should be revised. but what the hon. Member means, as I understand it is that "in view of the steady increase in unemployment, which has now reached an unprecedented figure" —of course all that is all right— but further on it says that "the policy indicated in the Five Year Plan has proved inadequate". It is one thing to claim a revision of the Plan and another if you want to say that the Plan has proved inadequate and you want to discuss it.

Shri C. D. Deshmukh: As far as I can see. the hon. Member is concerned only with the diagnosis and not the prognosis. In other words he diagnoses the nature of the malady according to his own point of view but has failed to suggest a remedy.

Shri Frank Anthony: I have plenty to suggest if I get the chance.

Shri C. D. Deshmukh: Not according to the wording of his amendment. It is not for me to say it is in order or out of order. But I go further and suggest a remedy in my amendment. That remedy may not be identical with the remedy. suggested by the hon. Member. It depends on the analysis one makes of the unemployment situation in the country. This plea that the Plan deals with long-term plans and not short-term plans has no significance. Because the Plan extends to the next three years only. and nobody has ever asserted that the Plan contains only three-year measures and not two-year measures. It contains all kinds of schemes. Whatever scheme one produces. it must be part of the Plan. even including. for argument's sake. a scheme as a background either for subsidising or giving doles or unemployment relief. All are part of the economic and productive development of the country. I do not think anything is excluded from the scope of the resolution.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): All that can be said against the amendment is *non sequitur*. But I do not think it vitiates the amendment. That the first part and the second part have really no connection

[Shri T. T. Krishnamachari]

with each other should not vitiate it. But otherwise, intrinsically, I do not think there is anything against it.

Mr. Chairman: Well, I will take the whole amendment of the hon. Member Mr. Anthony as tabled.

Shri Frank Anthony: I beg to move:

That for the original resolution, the following be substituted:

> "That in view of the steady increase in unemployment, which has now reached an unprecedented figure, this House is of opinion that the policy indicated in the Five Year Plan has proved inadequate and that urgent, drastic steps be taken to reduce expenditure by Government and all amounts thus saved be used for assisting the unemployed and creating further employment and that steps be also taken to strengthen and improve employment exchanges."

Shri S. S. More (Sholapur): I beg to move.

That for the original resolution, the following be substituted:

> "In view of the fact that the problem of unemployment has been assuming very grave proportions in the country and particularly in the rural areas and causing serious hardship and misery to the middle classes, landless labour in rural areas and the workers in cities and towns, this House is of opinion that the Government do take immediate steps to arrest the growth of unemployment in the country and to provide immediate relief and employment to the unemployed. This House further recommends to the Government to undertake, *inter alia* the following measures with a view to tackle effectively the problem:
>
> (a) that the necessary machinery be set up for collecting data regarding the unemployment of

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> educated classes and uneducated toilers in the rural and urban areas;
>
> (b) that compulsory measures for limiting the growth of population be devised and undertaken;
>
> (c) that large and protective works of irrigation and other works of construction be strated to utilize the large reserve of unemployed people;
>
> (d) that co-operaitve societies be formed for the purpose of undertaking small industries including cottage industries in rural areas and for the distribution of the products of such industries;
>
> (e) that with a view to give protection and increase the demand for the product of indigenous industries, the import of all consumers goods be immediately stopped;
>
> (f) that ceiling of the highest pay in the country for both Government and private employees be fixed at rupees one thousand per month and the excess above the said ceiling level be utilised for unemployment benefit;
>
> (g) that the age of retirement be reduced to the age of fifty three and the age of entrance be suitably lowered;
>
> (h) that in giving employment youngmen of requisite qualifications of poor families be given preference.
>
> (i) that available lands above the maximum holding prescribed in several States, or lands in the possession of non-cultivating owners be taken over by Government and distributed among landless labourers for cultivation in a co-operative manner."

Sardar A. S. Saigal (Bilaspur): I beg to move:

That for the original resolution, the following be substituted:

> "This House is of opinion that Planning Commission should study

and examine the question of unemployment in the various States and should at an early date propose measures to be adopted by the Union Government and the various State Governments concerned to solve this important problem and to arrest its growth."

Shri Radha Raman (Delhi City): I beg to move:

That for the original resolution, the following be substituted:

"This House is of opinion that the problem of unemployment be approached in a more scientific and effective manner and a Committee be appointed to go into this question and formulate plans for its final solution."

Shri Bansal (Jhajjar-Rewari): I beg to move:

That for the original resolution, the following be substituted:

"Having considered the situation arising out of growing unemployment in the country this House is of opinion that immediate steps be taken by the Government to review and strengthen the Five Year Plan with a view to ensure that a fuller use is made of the man-power resources available in the country for achieving the goal of raising the standard of life of the people."

Shri Muniswamy (Tindivanum): I beg to move:

That for the original resolution, the following be substituted:

"That in view of the grave situation of the Unemployment Problem in the country and the serious consequences that might arise out of it, immediate steps should be taken to hold conferences and meetings at important centres of the country under the guidance of the Government to explain to the public in detail the various steps that are under the contemplation of the Government to arrest the growth of unemployment in the country seeking the co-operation of the local self Governments and other public organisations in various States and to provide relief for the unemployed."

Shri C. D. Deshmukh: I beg to move:

That for the original resolution, the following be substituted:

"This House is greatly concerned over the growing unemployment in the country and is of opinion that, with a view to increasing employment opportunities in the country, Government should take steps to revise the Five Year Plan suitably and to adopt immediately such measures as are necessary for the purpose."

Shri Punnoose (Alleppey): I beg to move:

That for the original resolution, the following be substituted:

"This House is of opinion that the following immediate steps be taken to arrest the growth of unemployment in the country and to provide relief for the unemployed, namely:

(1) an amount of not less than rupees fifty crores be set apart for giving relief to the unemployed and their families.

(2) retrenchment of workers and suspension of production in any factory be prohibited by law.

(3) a reduction of thirty per cent. be made in the price of food grains.

(4) measures be taken to protect Indian industries from foreign competition.

(5) eviction of peasants from land be prohibited and rent for land be controlled by law."

Shri Heda (Nizamabad): I beg to move:

That in the resolution,

(i) for the words "immediate steps be taken to arrest" the words "a Com-

[Shri Heda]

mission be appointed to examine" be substituted;

(ii) after the word "growth" the words "and extent" be inserted; and

(iii) for the words "to provide relief for" the words "to suggest measures to provide gainful occupations to" be substituted.

Dr. Ram Subhag Singh: (Shahabad South): I beg to move:

(i) That in the resolution, the words "and to provide relief for the unemployed" be omitted.

(ii) That in the resolution, for the words "and to provide relief for the unemployment" the words "by introducing parity in wages and giving adequate incentives to people to take up to cottage industries" be substituted.

Shri K. P. Tripathi (Darrang): I beg to move:

That in the resolution, for the words "and to provide relief for the unemployed" the following be substituted:

"particularly by adopting the following measures:

1. rationalisation involving retrenchment, without chance of immediate absorption, or diversion be stopped,

2. idle capacity of factories be utilised and expanded to absorb more hands,

3. production capacity of Government Defence and other factories lying unused be converted and if necessary expanded, by countermanding private and Government procurement orders abroad where suitable,

4. One month's leave with wages after every eleven months of work be granted to every worker thus expanding the existing employment by eight per cent,

5. school teachers' salaries be revalued, attracting intermediates for primary, and graduates for middle and high school jobs.

6. every factory or industrial unit or establishment be compelled to train one or more apprentices, the number being determined by the size of the undertaking, the privileges enjoyed from the Government, the nature and extent of the monopoly and profits etc.,

7. marketing agencies for every industry, small cottage or large be promoted with adequate credit facilities,

8. productive firmament of the country be mapped out to discover gaps where credit facilities do not exist, *e.g.* small agriculture and cottage industries, and provision be made therefor,

9. all foreign recruitment excepting those of technical nature in private and public sectors to stop,

10. as many technical, vocational, or professional schools in every State as there are professions, vocations, or technical jobs, should be opened,

11. wage and bonus structure which restrict production to be revised; and

12. the present state policy of promoting production against a manipulated supply and demand market to be replaced by that of promoting production against a protected, assured and expanding purchasing power, brought about by—

(a) closing all loopholes through which industries and employing agencies create temporary unemployment to unburden their losses on society, that present employment may be maintained undiminished.

(b) gradually expanding and protecting employment market all the way,

(c) protecting this internal economy from adverse effects of external fluctuations (particularly our exports) by timely intervention by nationalising the losing trade, and for this purpose to assume two commodities at the same time so that the profits of the profitable one may counterbalance the losses of the other; and

(d) providing for fractional unemployment by unemployment insurance, and retirement by retirement provident fund or pension as an obligation on all employers."

Shri S. C. Singhal (Aligarh Distt.): I beg to move:

That in the resolution, for the words "and to provide relief for the unemployed" the following be substituted:

"and recommends to the Government to adopt the following measures which will reduce unemployment—

(1) the export should be encouraged even by giving subsidies if necessary,

(2) the uneconomic units of industries which are lying idle should be made to work by granting cheap credits and other facilities and by taking possession of them if necessary.

(3) immediate steps be taken to start the implementation of industrial parts of the Five Year Plan and the other parts of the Plan the implementation of which have not yet commenced.

(4) steps should be taken to supply cheap electricity at least in urban area for running small and big industries.

(5) more intensive drive should be made to increase the agricultural production for food and raw materials by providing the peasants water, manure and other facilities; and

(6) other ameliorative works should be started."

Pandit K. C. Sharma (Meerut Distt.—South): I beg to move:

That in the resolution, for the words "and to provide relief for the unemployed" the words "and for that purpose review the Five Year Plan and achieve maximum employment consistent with the necessary development in the near future" be substituted.

Shri R. D. Misra (Bulandshahr Distt.): I beg to move:

That in the resolution, for the words "and to provide relief for the unemployed" the following be substituted:

"and the following steps be taken at once to provide relief for the unemployed—

(1) that instructions be issued to all Government departments to purchase *khadi* from *Khadi Bhandars* for curtains, dusters, bed sheets, napkins, towels etc;

(2) that Government servants excluding military and police be instructed to attend their official duties in *khadi* dress and they should be persuaded to give preference to the products of cottage and small scale industries in their purchases; and

(3) that market agencies for every cottage and small scale industries be promoted with adequate credit facilities."

Shri Jhulan Sinha (Saran North): I beg to move:

That in the resolution, the following be added at the end:

"by *inter alia* more fully enlarging the scope of village industries and restricting that of the mill industries".

Shri Kelappan (Ponnani): I beg to move:

That in the resolution, the following be added at the end:

"(a) by fostering small scale and cottage industries.

(b) by eliminating competition in the home market between small scale and large scale industries.

(c) by stoppage of imports which compete with indigenous products.

(d) by undertaking construction work with a view to providing employment for as large a number as possible.

[Shri Kelappan]

(e) by constituting a land army of unemployed persons on village level to reclaim and cultivate cultivable waste, and

(f) by recruiting unemployed educated young men and women for the removal of illiteracy and for other items of social service."

Shri Sinhasan Singh (Gorakhpur Distt.—South): I beg to move:

That in the resolution, the following be added at the end:

"and in furtherance thereof the recommendations of the Planning Commission regarding giving preference to cottage industries over mills be given effect to immediately."

Shri U. C. Patnaik (Ghumsur): I beg to move:

(i) That for the original resolution, the following be substituted:

"This House is of opinion that in view of the gravity of the problem of unemployment, urgent steps be systematically taken to implement the Directive Principles of State Policy assured by the Constitution in this regard, *inter alia* by—

(a) collecting scientifically, from time to time, particulars of the unemployed persons, appropriately classified according to their suitability for different avocations, and

(b) ensuring inter-departmental co-operation in utilising the unemployed man-power for all round production and for absorption in nation-building and defence services."

(ii) That in the resolution, the following be added at the end:

"*inter alia* by utilising the defence machinery in a suitable manner for the purpose of expanding the scope for employment in diverse spheres."

(iii) That in the resolution, the following be added at the end:

"*inter alia* by reorganising the Ordnance factories as well as the military engineers and other defence services in such manner as to provide for maximum employment."

Shri B. S. Murthy (Eluru): I beg to move:

That in the resolution, the following be added at the end:

"and that,—

(a) a sum of rupees fifty crores be set apart for immediate relief work,

(b) the food grain prices be reduced so as to enable people with low purchasing power to have their necessities obtained,

(c) immediate steps be taken to form co-operative agricultural colonies on cultivable waste lands,

(d) the products of cottage industries be purchased by the State and Central Governments for the use of their offices,

(e) all evictions of landless labour from lands on which they are at present working be stopped by issuing an Ordinance,

(f) retrenchment in the private and public sectors of industry be stopped, and

(g) the import of consumer goods be well regulated."

Shri T. K. Chaudhuri (Berhampore): I beg to move.

That in the resolution, the following be added at the end:

"by the immediate introduction of the following measures, namely:

(a) imposition of a property and capital levy on all property having the capitalised value of rupees one lakh and above and utilisation of the funds obtained thereby for financing capital expenditure for new industrial and business projects to be opened for providing new avenues of employment to people who are now without any work;

(b) taking over by the State of all units of production in which full installed capacity remains unutilised without any valid ground and employment therein of people without work;

(c) immediate taking over by the State of all land over the ceiling of maximum holdings and the redistribution of this surplus land among peasants with uneconomic holdings and landless labourers for cultivation on a co-operative basis;

(d) expansion of key industries like steel production by installing two additional plants over and above the one already recommended by the Planning Commission;

(e) overhauling of the stores purchase policy of the Government in all its various branches and departments and introducing of legislative measures for according compulsory preference for articles that are manufactured in India to be purchased in Government stores as well as in the stores of all private business establishments including foreign and European owned business establishments;

(f) compulsory registration of all persons who were employed in any establishment employing one or more than one person at any time continuously for two months and provision of unemployment doles for all such persons at the cost of Government for a limited period at least and wherever possible at the cost of large capitalist employers."

Shri Vittal Rao (Khammam): I beg to move:

That in the resolution, the following be added at the end:

"and that the President be advised by the Government to issue an Ordinance forthwith prohibiting retrenchment in all the Industrial undertakings and mines employing more than hundred workers."

Sardar A. S. Saigal: I beg to move:

That in the resolution, the following be added at the end:

"and that in addition to the Civilian Departments which should be utilised for solving the problem of unemployment, the various branches of the defence machinery should also be fully utilised for giving maximum employment to the unemployed."

Kuamri Annie Mascarene (Trivandrum): I beg to move:

That in the resolution, the following be added at the end:

"and that a survey be made of unemployed labour with special reference to unemployed women"

Mr. Chairman: All these amendments are now before the House

Prof. S. N. Mishra: I think the problem that has been raised is problem number one of the country at the present moment. I am glad that our Government has also taken up this problem and is giving it a treatment of priority number one. I confess that after having heard the hon. the Mover of the resolution I am left with a sense of disappointment so far as the analysis of the problem is concerned. The remedies that he has suggested are also oft-repeated remedies. In one sense they—hon. friends

[Prof. S. N. Mishra]

of the Communist group—have been very perfectly performing the task of a toy train completing the usual circuit and going away with a sense of complacency. But I feel that we must go into a thorough analysis of this problem. When on the first day—probably you were present at that time—I made a suggestion that the Government should first make a comprehensive statement on the situation and then there should be a full-dress debate, it was sought to be misconstrued. With due respect to some of the esteemed journals, I want to contradict the impression that they might have created, Sir, we who are members of the Congress party give it the highest priority and probably the House is aware that day in and day out......

Shri B. S. Murthy: The hon. Member is trying to contradict some of the statements made in the Press. Is it in order?

Prof. S. N. Mishra: Something appeared in the Press and also the hon. Mover of the resolution had said in the very beginning that the Congress Party was trying to block the resolution.

Shri A. K. Gopalan: I even now say that.

Prof. S. N. Mishra: It is up to you to say that, but what I had meant to suggest at that time was that in the absence of a comprehensive statement by the Government containing full facts and figures, the result of the approach which the hon. the Mover or any other Member would bring to bear upon the subject would be completely wayward. Since we have not the complete statement on the situation giving all facts and facets of the situation which probably the Government alone could produce, we find that the discussion is going to be rather loose. Sir, I was going to say that not only we in the Congress Party have been discussing this problem day in and day out but our Prime Minister had pointed out four or five months back that unemployment "cuts the throat and stabs in the back". I am one of those in the party to which I belong, who sometimes feel that the reverberating words of the Prime Minister get throttled or somewhat subdued into the pathetic peep-peep of a penny whistle as a result of the ineffective machinery of implementation. But so far as this problem is concerned, I find that the whole attention of the Government is devoted to it and the Planning Commission is completely seized of this problem and fully attuned to the task. So I want to congratulate the Government for having taken up this problem in all seriousness.

But what I am going to say about the resolution that has been moved is that it does not go very far. There may be some general sentiments of the hon. Mover of the resolution with which we are in perfect accord but the resolution does not go far enough in the sense that he wants only the arresting of the growth of the problem and not the eradication of it. When I read the resolution and the amendment moved by the hon. Finance Minister together I thought that the amendment went further than the resolution.

Then, although the hon. Mover of the resolution pointed out during the course of his speech that besides the problem of unemployment there was also the problem of under-employment, this resolution does not comprehensively deal with all those aspects.

Secondly, so far as my knowledge of the English language goes, the word "arrest" is also not a very happy word. Perhaps "arrest" would indicate that you want to freeze it at the point at which the attention is being sought to be drawn. You do not want to deal with the chronic aspect of it. There has been increase in the problem; you want to freeze that increase at a particular point of time. In that sense also, I think, there is some incompleteness in the views expressed in this resolution.

So far as the operative part of the resolution is concerned, it is also not very helpful. I think greater attention should have been laid on giving more employment and opportunities to the people. That would have been a better approach to the problem. But these aspects do not find a place in the resolution. So, while we may say that we are in general agreement with the sense expressed by him, we cannot go the whole hog with it. In my opinion a Commission should be appointed to go thoroughly into this matter, and therefore, the amendment which I have placed before the House wants that the Government should take immediate steps to appoint a Commission. It is also essential for formulating a sound and scientific employment policy.

Sir, you are aware that whenever we are seized of any important problem, we are always told that we have not got the relevant scientific data before us. That has been my grievance also against the Planning Commission and the Government. Although the Planning Commission was appointed two or three years back—and you know the first term of reference was that the Planning Commission should make an assessment of the capital, technical, human and material resources of the country—I do not think that even a hundredth part of the job has been so far completed. So, when we deal with the problem of land or the problem of unemployment, we are always handicapped by the lack of scientific data. Consequently, I have suggested in my amendment that to know the exact quantum, the exact causes, the extent, the nature and the forms of unemployment, a Commission should be appointed. I am sure nothing would stand in the way of the Government acceding to this request. In 1934-35, you may recall, almost all the State Governments had appointed Committees to investigate into the matter, and in the United Provinces, as great a personality as Sir Tej Bahadur Sapru was the Chairman of that Committee. So, my submission is that Government should concede to the demand for the appointment of a Commission. But this is not to say that the action that could be taken at the present moment—the First Aid measure that could be provided—should be postponed till the Commission formulates its conclusions. That is not my intention. Only in the interests of scientific and sound formulation of policy, I have suggested in my amendment that there should be some such thing like the appointment of a Commission. It may even be in the form of the appointment of a sub-committee by the Planning Commission itself, but we must be satisfied that the Government are seized of the problem in a scientific manner. Unless this is done, I do not think that we are going to solve the problem of unemployment in its long term aspects.

Then, I think I should go into a somewhat technical aspect of the problem which will reveal to us the exact nature of it. I think on the basis of the 1951 census, we can have certain facts and figures before us, so that we may know how the problem has been making its impact upon the body politic or what the exact state of things is. Let us look at the occupational pattern of the 1951 census.

Shri Punnoose: Is there no time-limit?

Mr. Chairman: There is time-limit. The hon. Member began at 11-20. There will be no discrimination between one Member and another.

Prof. S. N. Mishra: May I submit, Sir, that when the hon. Mover of the resolution took about 50 minutes, we on this side of the House feel that there should be some sort of a full reply to some of the points raised by the Mover. I should also request you to see, Sir, that we should be given full opportunity.

Mr. Chairman: So far as the Mover of the resolution is concerned, the rule itself gives him more time. So far as the other Members are concern-

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ed, it is much better they confine themselves to say, 15 minutes, each. I have got before me a large number of amendments. I cannot vary the rule in respect of any particular individual. I will apply it to all the Members alike so that there will be more Members to speak on the resolution.

Prof. S. N. Mishra: I was just analysing the occupational pattern as revealed in the 1951 census. In that you will find that the number of the total occupied population in 1951 comes to 1,450 lakhs. Of this, two-thirds are in a way self-employed. That is, about 1,000 lakhs are self-employed. Now, the next aspect of it is, we have only 450 lakhs of people who can be said to be employed. That is, only in regard to these 450 lakhs of persons we can have certain definitions of employment or unemployment. Let us not talk vaguely about the whole subject, but let us be very clear about it. It is only in respect of these 450 lakhs of persons—so far as occupational pattern is concerned—about whom there can be a certain definition of employment.

Regarding self-employment, we cannot say much. There might be a certain amount of unemployment, or more appropriately disguised unemployment, or you might call it something else, but there cannot be said to exist what we technically call unemployment. Let us see what are the constituents of the employed population first. But I think since the time is very short, I would not better go into it. I would only say that there are certain sectors in which much cannot be done, and I would come to them later.

But how to characterize the whole problem of unemployment in our country? Are we going to characterize it in the usual manner in which industrially advanced countries do it? In my opinion, a certain element of the Indian problem can be said to be technological, and I think that is a large element in the situation. This is a continuing problem in our country since the impact of science and the impact of industrial advancement in the West was felt here, and this is a problem with which the Government should deal adequately. I am of the view that the Planning Commission's Report is being rather inadequately implemented so far as the small-scale and cottage industries are concerned. There is the suggestion of the 'Common Production Programme', but my grievance is that this idea of 'Common Production Programme' is not fully implemented nor its logical implications fully developed. We have got to see how this 'Common Production Programme' fructifies, but in the course of the last two and a half years, this idea has not taken any shape.

Secondly, the problem has, in my opinion, been slightly cyclical in the sense that while in some industries you find full production going on, in certain other industries, the production has gone down even below the level that obtained two years back. So, a very thin element of the situation may be taken to be cyclical.

In the third sense—and probably that is the most important also—this problem is a problem of under-development of the country, the backwardness of the country. That is the essential aspect of it. We in this country do not have enough capital resources, do not have enough horse-power at the human elbow for increased productivity judiciously conforming to the 'Common Production Programme'. That shows the under-developed nature of the economy not offering scope for expanding employment opportunities.

Then the fourth aspect that has spot-lighted the whole problem is the educational nature of it. We are continually up against the problem of the educated unemployed, and coming as I do from a State in which recently about 500 vacancies were notified and about 65,000 applications were received, I am rather more acutely aware of it than many hon. Members here.

Since some of my time was taken away in the interruptions, Sir, I would like to be given five more minutes.

Mr. Chairman: Yes.

Prof. S. N. Mishra: I was saying that this problem of educated unemployed has assumed the acutest form at the present moment. It is this problem which has brought the whole problem to the forefront. But let us not be mistaken that it is only the problem of the educated unemployed that we have to deal with. The malaise is rather fundamental and affecting a vaster section of the population than meets the eye. We have got to go to the very root of it and not only deal with the symptoms of the problem in the shape of the educated unemployed or any other. This problem of the educated unemployed is, indeed, urgent and it arises from our educational system which was meant for a police State. We want the products of this education to be absorbed in our irrigation projects, agricultural programmes and in our factories. That educational system was meant for a merchant economy. But, we want for our planned economy a different sort of educational system. That is the essence of the matter. We think that we should take this aspect into account and deal with this problem of educated unemployed as effectively and radically as possible.

I am sorry I could not go into the other aspects of the problem because you, Sir, have severely limited the time.

श्री पी० एम० राजभोज (शोलापुर—रक्षित—अनुसूचित जातियां) : मैं अपना अमेंडमेंट नम्बर २६ मूव करना चाहता हूं ।

Mr. Chairman: He may do so.

Shri P. N. Rajabhoj: I beg to move:

That in the resolution, the following be added at the end:

> "and that the employment figure of the people belonging to Scheduled Class being considerably low, preference must be given to the Scheduled Class community in all State owned and controlled industries."

Mr. Chairman: Amendment moved:

That in the resolution, the following be added at the end:

> "and that the employment figure of the people belonging to Scheduled Class being considerably low, preference must be given to the Scheduled Class community in all State owned and controlled industries."

Acharya Kripalani (Bhagalpur *cum* Purnea): It is admitted that the problem of unemployment, both individually and socially, creates a tragic situation in the country. I am sure a householder would rather like a death in the family than unemployment. Because, unemployment for him would be living death of the family which will make him always live in terror. We are therefore surprised that some young men on the opposite side should try their level best to see that there is no discussion of this problem.

Some Hon. Members: No, no.

Shri A. M. Thomas: You are mistaken.

Some Hon. Members: We want a discussion.

Shri Bhagwat Jha (Purnea *cum* Santal Parganas): We protest against this remark.

Acharya Kripalani: I should not have been surprised if the Company of the Forty had tried to obstruct the discussion......

Some Hon. Members: No, no.

Mr. Chairman: What is it that the hon. Member was saying?

Acharya Kripalani: I said that if the Ministers had created trouble, I

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could have understood because they in a sense rightly consider themselves as responsible for it.

An Hon. Member: What is this Company of the Forty?

Shri Frank Anthony: Not Ali Baba.

Mr. Chairman: Without these side remarks, he can straightway go to the subject Side remarks provoke other remarks.

Acharya Kripalani: I made no remarks. There may be more than forty; whatever the number may be, the number is always increasing and so one cannot keep always an account of all that.

Shri K. K. Basu (Diamond Harbour): A solution to the unemployment problem.

Shri Frank Anthony: Solving unemployment in the House.

Acharya Kripalani: I need not go into the figures of unemployment because it is admitted fortunately even by the Treasury Benches. I think I am entitled to go into the genesis of this growing unemployment. It has not appeared all of a sudden. It has been going on ever since foreign rule was established here. I am only sorry to say that we accelerated the rate of unemployment by our policies. As soon as we came in power, we dispensed with *Swadeshi*. We thought that in a free India, there was no need for *swadeshi*. Speaking to a very high authority about four years ago, I brought to his notice that the Congress leaders and Congress Governments have killed the spirit of *swadeshi*. You will be surprised to know the answer that he gave. He said: now in a free India, what is the need for *swadeshi;* we have our own Government and we can regulate our imports and exports.

Some Hon. Members: Who said so?

Acharya Kripalani: Please do not ask names. It will be very dangerous for you to ask names and for me to give names.

Dr. Suresh Chandra (Aurangabad): Please tell us.

Acharya Kripalani: I tell you, it will be very dangerous because he was one of the highest.

Dr. Suresh Chandra: Does not matter; don't fear.

Acharya Kripalani: He gave the reason. Why don't you hear the reason instead of asking for the name? The reason is quite valid in the sense in which he gave it. It was this: now we have our own Government and we can regulate our exports and imports. He took for granted that every Government is patriotic. He also took for granted that the agents of every Government know their business or know the business of the country. We know what has been done: when trade is regulated by permits—whether the permits have gone to encourage *swadeshi* or to discourage *swadeshi*. This is a thing which, I think, no Congressman can deny. Many times we have introduced into this country not only things which we can manufacture ourselves, but things which we can do without, and things that were harmful. If we had done without them, we would have lived a happier and healthier life. We were responsible for taking away the spirit of *swadeshi*. Because, what the people themselves cannot do, the Government cannot do for them. Government's policies are changing; but if there is a psychological urge in the people that they must purchase *swadeshi* articles at any cost, they will do it more effectively than any Government can do it. I only wanted to indicate to you the philosophy on which the Government was acting. I say that that philosophy was misconceived; I might even say that it was a mischievous philosophy. It killed the spirit of *swadeshi* which we had sedulously fostered for about 70 years.

As soon as our Government came into power, the small industries that had been started in war time were swept away by the encouragement of big industry; because it was the firm policy of our Government that only through industrialisation in the sense in which European and American countries are industrialised lay the salvation of India. This was a false philosophy. The population of the European countries is nothing in comparison with the population of India. Russia is about seven times as big as India. The population per square mile is eight. America is 3½ times as big as India and the population per square mile is 50. Our population per square mile is 350. To think that a backward country, whose economy had been ruined for about a couple of centuries could, at once, by the method of discredited capitalism, revive its industry and social and economic life, I think, was misconceived. That it was misconceived is clear from the fact that for the first time when we came into power, we enunciated this proposition. Before we came into power our proposition was that we must encourage cottage industries, provide as much employment for the people as possible. Before we came into power, we said "Not production only, but also consumption." We said that the land was divided and there would be land reforms. We took so much time in bringing about those land reforms, a section of those reforms, that whatever good was to be achieved from them was lost to us.

Not only this. We encouraged big industry, we encouraged foreign capital also. We went on increasing. Whenever there is independence, the tendency in other countries is to eliminate as much of foreign interests as possible. I think the foreign interests that are entrenched in our industry and in our commerce today are even greater than when we were under foreign rule. We are not free economically. So far as our industry, our commerce and finance are concerned, we are yet a colonial country. Eighty per cent. of the tea gardens belong to Englishmen. Our banking and insurance is mostly in the hands of the foreigners, and what does the foreigner do? All the money in the banks is ours, but whenever a foreign firm goes to the bank, they get accommodation. Our Indian firms do not get accommodation, or even if they get, it is only big firms that get it, and when they get it, the terms are more exacting than when the money is advanced by these foreign banks to foreign companies.

When we have killed this spirit of *swadeshi*, when we have opened the floodgates of foreign goods in India, we found that our coffers were depleted. We had Sterling balances. They were almost lost. Then it occurred to us that we must raise the slogan of more production. The slogan was "Produce or perish". It was often said in this House "Produce or perish". So, we began production. There was a Five Year Plan. What has been the result? The result is not "Produce or perish", but produce and perish. It is admitted now that while for two years and a half the Plan has been going on, at least there are 15½ lakhs of unemployed added to the old figure. And it is a strange phenomenon. While the Plan is going on, unemployment is increasing. We are familiar in modern times with planned economy, but I have never seen a country in which, while a plan is going on, unemployment is increasing apace. I have heard that while plans are going on, people are not unemployed, but people have to work overtime. In Russia, they have what they call "shock workers". In the European countries, in Germany, East or West, if you go, not only people have full employment, but people have to overwork, because they are putting into execution a plan.

Then there is another phenomenon which is very strange. Here we say there is over-production and there is curtailment of employment, that there is no purchasing power that goods do not get sold, and yet there is

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the strange phenomenon that prices go on rising. Prices go on rising, there is over-production and there is not enough purchasing power. When this generally happens, there must be something wrong, and that wrong is this, that this Five Year Plan was conceived on the basis of private large-scale production. I am not talking to you as a politician. I will give you the opinion of impartial economists. Prof. Wadia and Mr. K. T. Merchant say:

> "The Commission rejects full employment as the immediate objective of planning for India."

Then, they quote the Commission:

> " 'A high level of employment is desirable but if it requires sacrificing indefinitely the fruits of technical progress, the loss to the community over a period may be much greater than the gain'. The Commission at the same time admits that unemployment is the most serious corrosive factor in economic life and its social cost is larger than the economic cost. If the social cost is larger, one need not be afraid of sacrificing the fruits of technical progress. It is the planning within the capitalist structure, with the fear of fall in profits, and not full employment that deprives the community of the fruits of technical progress."

This is what the economists say. So, it is this bungling through the seven years that has produced this tragic situation today. What is the remedy?

Mr. Chairman: Will the hon. Member take some more time, about five minutes?

Some Hon. Members: Give him ten minutes.

Acharya Kripalani: As you please.

What is the remedy? I humbly say, not as a party man—I have never acted as a party man in all these concerns—that the Congress people and our Ministers also should give their serious attention to this. It is impossible that you can revive the economy of India on a capitalist basis. That basis is not working even in capitalist countries. They have to socialise progressively. And they live upon war economy. We do not live upon war economy. Many of them have colonies where they can throw their goods. We have no colonies, and I hope we have no intention of creating colonies. In this country, with this population, this capitalist economy will not work. You cannot have what you call a "Welfare State" if you have a capitalist economy. You must change the very basis of your economy, and I humbly submit that it cannot but be socialised economy. The Americans have tried in colonial countries to introduce capitalist economy. They have failed. But I must say that wherever socialised economy has been tried, there has been a great deal of success, and there has been progress.

All right, you say that your basis is not socialism but a mixed economy. All right, if mixed economy, even in a mixed economy, you must separate the different departments. You cannot have a mixed economy like a *khichdi* in which *dal, chaval* and ghee and everything is combined together. Here you have a *khichdi* made out of it. If you want to have really......

An Hon Member: Gruel!

Acharya Kripalani: And that also not cooked well!

Shri Frank Anthony: There are too many cooks.

Acharya Kripalani: It is true there are too many cooks.

If you want to have a mixed economy, at least separate the departments. Supposing you have nationalised transport. Now, in Delhi, there is no amount of need for transport. There is a bottleneck to transport.

but supposing you grant also licences to private companies to run buses, your buses—the nationalised buses—will immediately stop. They would have no custom. So, you keep your section of economy protected. You do not allow competition there. I submit that there is a section of decentralised economy. Please do not allow competition there. Keep it as a sector which can develop freely and can go ahead, then give the capitalist sector also a section of the economy and say: "Here you develop yourself", so that they may not be apprehensive. Today, the capitalists are also apprehensive. One does not know when there will be nationalisation, or when *dhotis* and *sarees* in the South will not be made in the mills and will be made by handlooms. Sometimes our Ministers have belated inspiration. As long as Rajaji was here, as the Commerce and Industry Minister.........

Some Hon. Members: Home Minister.

Acharya Kripalani: You are born late, my dear friend. You may have the advantage of youth, but not of knowledge

Shri Frank Anthony: Or of experience.

Acharya Kripalani: When he was here, it did not occur to him that the handloom industry needed protection. Only when he went to his own Tamil Nad, he rose to the occasion. Another Tamil friend of his who was his esteemed successor, was too afraid to take any radical steps. Our Prime Minister is radical, but his Cabinet is slow-moving......

Shri T. T. Krishnamachari: You are making up for it.

Acharya Kripalani: Not only do you speak so slowly that I never hear what you say, but the Cabinet is unbalanced. If we want to have a mixed economy, then I say we must have a balanced economy. We must separate the two departments that come in. This is the very ABC which you have to do, if you are really serious about the business.

As for the remedies, I will not give them myself, but I will give them from the experts, from the only expert under the Five Year Plan. Of course, our Finance Minister is an expert in his own way, but in the Planning Commission, they have got only one expert, Mr. Nanda. Speaking at Ahmedabad, he adumbrated a new plan to tackle the growing unemployment in the country. He enunciated a four-point programme. The first point was:

> "The Government will encourage and inaugurate such undertakings like cottage industries, as would absorb more manpower."

Evidently, the Five Year Plan did not absorb more manpower. It was always thinking of producing more and producing more, and the people began producing babies, having no other method of production. We cannot blame them. There was no capital for them.

The second point was:

> "All future governmental activities will aim at being labour-intensive and not capital-intensive."

And the author of the Five Year Plan continues:

> "Adequate steps will be taken to absorb urban unemployed men in craft industries concerned with the production of goods of common utility."

I must say that our Government have often patronised these cottage industry products. I think there is some emporium here also in Delhi. But these emporia are in the hands of fashionable ladies, and what is produced is for export to fashionable people abroad. This is not encouraging cottage industry, because fashions in foreign countries are always changing. If you have to encourage a village industry, then village industries must produce things of utility re-

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quired in the villages. You must not allow them to produce goods which should be exported to foreign countries.

The fourth point is:

> "Proper insistence will be laid on basic education and manual labour will be a feature of every educational institution."

12 NOON

Gandhiji had kept a system of education, on which he tried experiments, and successfully too. That experiment was there before the country. But our authorities, as in everything else, so in education also, were concerned with maintaining the *status quo*. And not only that, our education policy has been 'Don-Quixotic'—I use the word purposely and deliberately. It is a strange engineering that we find in the educational field. As soon as they came into power, they appointed a high power commission which sat for many days, and which consisted of many educationists, to whom it would have been profitable, if they had been re-educated in the ways of *Swaraj*. But what did these educationists do? They took up the question of college and university education first. They prepared a big report, a big tome, and their recommendations have not been adopted as yet. The Education Department woke after some five years and thought that this higher or university education rested upon the base of secondary education. So they appointed a commission for going into the question of secondary education. When they have done that, they will ultimately find out that the foundation was there on primary education. This is the queer engineering that they have adopted. They are trying to build from top to the bottom. I want the Congressmen to take these words from me. They must not suppose that I am speaking like this, because I am in the Opposition. I would have spoken like this, even if I had been a learned professor—I do not know what he professes—on that side.

Let us face facts. This is our country. This is not the country of Congressmen. It is our country. We are not here only to oppose; we are here to find out ways and means of fighting this unemployment. I would say, whatever the Finance Minister may do, however conservative his finances may be, one of these days, if you are a Finance Minister, you will have to nationalise banks and insurance, if you want to do anything for the country. I would also tell the Commerce and Industry Minister that it is no use defending these foreign concerns. They are giving dividends of 200 and 300 per cent. and yet they do not give you even the figures you had asked for. It is such a disgrace that when the Government of India ask the foreign firms, to give the figures relating to their high-paid officers, they say, no, go to hell; and here the Government come to us for passing a legislation. I say such a thing can never happen in any free country. The foreigners come here and enjoy the cream of our substance, and they tell us that they are not going to give us the figures. And our Minister comes here and says, what shall I do. With what face does he come and ask us to pass the legislation? I do not understand. A foreigner who refuses to give these figures should be given one thud by the Government, and should be kicked out, if this was really a free land. But I am afraid this is not a free land. These and many other things can be done.

Shri Bansal: As the previous speaker from this side of the House has said, I would like to consider this problem as India's problem number one and therefore I think that it will be a tragedy if we approach this great problem in a controversial manner. After all, what are we faced with? I am sorry that in all these speeches that have been delivered so far, a serious attempt has not been made to find out what the problem is. In my opinion the hard core of the problem is our backward economy. In a country where two-thirds of the people depend on agriculture, with holdings which are uneconomical, it is bound to happen that there will be a huge chunk of unemployment. I have looked into the figures and find that out of the total population of able bodied persons who could work, two-thirds are self-employed, or styled as self-employed, and only one-third are those who are classed as employed. Out of these two-thirds, that is, roughly ten crores, about two crores are engaged in small businesses, professions and other jobs. But an equal number comprises of landless labourers with the result that we find on land a pressure of these ten crores of people who have to stay on land. If you look into the figures of other countries, you find that this proportion is quite in the different direction. In Canada, which is an agricultural country, persons who are self-employed number ten lakhs while those who are employed 28 lakhs, while the figures for our country are: those who are self-employed: about ten crores, and those who are employed: only 4.5 crores. In Mexico the figures are 12 lakhs and 30 lakhs, for U.S.A. the figures are: 100 lakhs and 380 lakhs respectively.

This poses the question whether the problem of unemployment about which we are talking is confined only to this sector of the people who are classified as 'employed' or does it go to that sector also which is styled as 'self-employed'. In my opinion, the real core of the problem is that all those people who are styled to be self-employed are really not employed fully and a huge proportion of them is either partly employed or unemployed, with the result that a great pressure is coming from this sector to the sector which is styled as the employed sector. The consequence of this is that although there may be no visible unemployment at times, the potential unemployment is there, and it is here that our Planning Commission failed to gauge the problem correctly.

Before I proceed further, I would just like to refer to a set of figures of our employment pattern from a different point of view. I have before me figures of *per capita* income and percentage of population in primary, secondary and tertiary occupations. From this I find that India and China are on the lowest rung as far as *per capita* income is concerned. But they are highest as far as total population in primary occupations is concerned. Again, they are lowest as far as the secondary and tertiary occupations are concerned. What does it show? This clearly proves that the problem in our country is that of maldistribution of population, a huge percentage of which has to subsist on land. Added to this is the problem of about 18 lakhs of working population—added to the unemployed and potential unemployed every year. Now, where is this 18 lakhs of working population going to be employed? Unless we face this problem in this perspective, I am sure the remedies that have been suggested by the previous speakers will not touch the fringe of the problem. If we are going to tackle this problem in a bold manner with a view to solve the real unemployment problem, we have not only to take care of these 18 lakhs of working population which are added to our working population every year, but we will have to think in terms of taking away a percentage of our working population from land. I tentatively suggest that roughly seven lakhs of people will have to be taken away from land every year. This means that we will have to provide in the non-agricultural sector for about 25 lakhs of working people every year. How can we do it? This is the problem, in my opinion, to which all of us must bend our energies in a patriotic and in a non-controversial manner. Because unless we do it, I am sure we will be fecing a great upheaval in the country.

[Shri Bansal]

In my humble opinion, out of these 25 lakhs of working population which will have to be taken care of every year, at least 2½ lakhs must get employed in the large industrial sector, whether it is private or public, because I calculate that these 2½ lakhs of people who will be employed in the non-agricultural—that is, large-scale industrial—sector, will create employment and occupational opportunities in other sectors. What should be the exact percentage, no one can say. But I would suggest very humbly to the Finance Minister and to the Planning Commission that they should investigate this problem with all thoroughness. We have enough theoretical material available on this. I am sure every one here is acquainted with Leontief's method of input-output analysis. If we conduct some survey on that basis, we will be able to find out as to what percentage of this increase in population every year should be applied to a particular sector of industry or trade or occupations so that a chain effect is created to produce employment to mop up the remaining 90 per cent, that is, about 22½ lakhs of people every year in the non-industrial sector. This is the sector of small- and cottage-scale industries, professions, small businesses and so many other fields. In order to achieve the objective of finding employment in this sector the Planning Commission's approach to the development programme and the approach of this House to the unemployment problem will have to be radically changed.

It seems from some speeches, that we are treating the problem of unemployment as entirely divorced from the problem of development. Theoretically, it is quite possible to provide employment to all the people by dividing the present jobs among those people also who are unemployed at present. But what will it lead to? It is bound to lead to a lowering of the standard of living. We must be quite clear about this in our mind when we are thinking of solving the unemployment and developmental problems. Are we going to treat the problem of unemployment as a separate problem altogether? Or, are we going to treat it as a part of the developmental problem? We have all along been clamouring that our country is undeveloped and that our standard of living is low. I remember, when the Five Year Plan was being discussed on the floor of this House, my friends from the opposite side were saying that this target of increase in the standard of living by 20 per cent. after 10 or 20 years was not enough; they wanted that the standard of living of the people should be raised within 10 years by as much as 100 per cent. Now, if we are going to achieve that, we must be clear in our minds that we can do so only by increasing the productive and capital stock of the country, and not by distributing the present employment among the people who are unemployed. Because the sure result of that is going to be a general lowering of the standard of living of the people as a whole, and I am sure no one will countenance that.

In order to achieve this high rate of employment in the private and public sector, Government and the Planning Commission will have to consider, as to what steps they will have to take. In my opinion they will have to adopt a bolder approach to the targets which they laid down in the Five Year Plan. These targets can be increased by ordinary mathematical formulae but that will not help. What has got to be done is that in the public sector expenditure has to be incurred at those points which will create a general chain reaction of employment opportunities in other and subsidiary sectors. What are these sectors?

Mr. Chairman: The hon. Member has got only two minutes more.

Shri Bansal: Sir. I will finish within two minutes.

I am sure the first task which the Planning Commission must apply itself to is to find out which are the sectors where they must use their developmental expenditure. It has been said again and again, how is it that all of a sudden this unemployment problem has come to the fore. As the hon. Shri Kripalani said, this problem has been with us all the time but it has been only slightly disguised due to the post-war boom and the Plan which came into effect 2½ years back. But, I am sorry to say that the Plan has also been falling behind and that is one of the contributory causes of the present unemployment situation which we are seeing today. Another cause of this unemployment that we are seeing today is the rigid cost structure of industry which is again the result of high prices prevailing after the post-war boom.

In order, therefore, that we tackle this problem both in the private and in the public sector, I do not see any remedy excepting to raise the tempo of the Plan, the tempo of investment, particularly in those sectors where it will have the effect of giving a momentum to our economy. Short-term measures have been suggested by a number of speakers. But, in my humble opinion, short-term measures are not going to be the real remedy of the problem. Anyhow we should not adopt measures in a huff which might lead to a further worsening of the situation.

Shri Mulchand Dube (Farrukhabad Distt.—North) *rose*—

Mr. Chairman: If the hon. Member wants to move an amendment, I will permit him to move it. I will not allow him to speak.

Shri Mulchand Dube: I beg to move:

That in the resolution, the following be added at the end:

> "This House is further of opinion that the problem of unemployment cannot be solved by big industry either in the public or private sector and that the following steps may be taken immediately to tackle the problem—
>
> (a) to have a survey made of all the small scale industries in existence in the Indian Union by calling upon if necessary members of both Houses of Parliament to furnish particulars of all small scale industries existing in their constituencies so as to enable the Government to collect statistics of such industries as may be considered proper for development; and
>
> (b) to make arrangements for the marketing of their products in this country and foreign countries by calling upon the Commercial Attaches attached to the various Embassies and Legations to study the needs of the people of those countries and give suggestions in the matter of the marketability of the products of our small scale industries in those countries."

Mr. Chairman: Amendment moved:

That in the resolution, the following be added at the end:

> "This House is further of opinion that the problem of unemployment cannot be solved by big industry either in the public or private sector and that the following steps may be taken immediately to tackle the problem—
>
> (a) to have a survey made of all the small scale industries in existence in the Indian Union by calling upon if necessary members of both Houses of Parliament to furnish particulars of all small scale industries existing in their constituencies so as to enable the Government to collect statistics of such industries as may be considered proper for development; and

[Mr. Chairman]

(b) to make arrangements for the marketing of their products in this country and foreign countries by calling upon the Commercial Attaches attached to the various Embassies and Legations to study the needs of the people of those countries and give suggestions in the matter of the marketability of the products of our small scale industries in those countries."

The Parliamentary Secretary to the Minister of Finance (Shri B. R. Bhagat): I intervene in this debate at this stage with a limited objective—not with a view to define the employment policy by dealing with the remedy but with a view to define the employment situation and the nature of the problem that exists today at this juncture. Because I think that it will be better for dealing with the employment policy and the remedies if we know the situation and the factual basis that obtains today. This is the purpose for which I am intervening in this debate just now.

Unfortunately, I suffer from one handicap and that is that in spite of the recent talks over this problem, we have no precise information, no statistics with which we can track down accurately the problem. The only information and statistics that we have are those provided by the Employment Exchanges and those deal mostly with the urban sector. Government is aware of this handicap and recently it has started getting or collecting very comprehensive information. The National Sample Survey is undertaking an enquiry into the unemployment situation in Calcutta. The schedules have been prepared and the enquiry will commence shortly. Data from about 4000 households selected at random will be obtained. The field work will take about three months and the report on the enquiry should be ready in another three months. Apart from this, the National Sample Survey proposes to undertake a survey of employment trends in towns of more than 50,000 population selected at a random basis. Similarly, an enquiry into the rural unemployment in Travancore-Cochin is being contemplated and the scope and procedure of this enquiry are being finalised.

Shri A. M. Thomas: Just a word, Sir; this survey is being contemplated but the answer given to questions during the last one month is that it is still under consideration.

Shri B. R. Bhagat: So, at present we have only the information given by the Employment Exchanges and my analysis of the situation is based on the information given by the Employment Exchanges. As the whole thing is factual, with your permission, I would like to quote extensively from a note prepared for this purpose:

> "An examination of the statistics collected through the Live Registers of the Employment Exchanges shows that the number of persons registered has increased nearly 50 per cent. between January 1952 and July 1953, that is, from 322,000 to 493,000, but the number of vacancies notified and the number of placings have diminished steadily over the past year. Vacancies notified on behalf of Government agencies have remained more or less steady and have, in some fields, even increased but the vacancies notified by the private sectors have fallen sharply. Taking the public and the private sectors together, the placings which were on an average round 34,000 per month in 1952, have fallen now to nearly half of that figure."

Now, coming to the occupational and regional aspects of the problem, the situation is like this:

"The unemployment problem in the urban areas so far as one can judge from the statistics collected by the Employment Exchanges has also certain occupational and regional characteristics. For instance, the decline in unemployment does not seem to have seriously affected highly skilled personnel but the effect on personnel seeking clerical and white-collar jobs and on semi-skilled workers has been quite considerable. In respect of semi-skilled and unskilled workers the position has become more difficult for the past 8 or 9 months, but the situation in respect of white-collar employment has been worsening continuously for over a year. Of the increase of about 45,000 in the number of applicants for clerical posts in the Employment Exchanges between January 1952 and May, 1953, 14,000 has been in Madras, about 10,000 in Uttar Pradesh and 5000 in each of the regions, Bombay and West Bengal. The pattern is somewhat different in the case of applicants for domestic service and other unskilled work. Of the increase of nearly 115,000 in the number of such applicants in the Live Register of the Employment Exchanges, between January 1952 and May 1953, the four States mentioned above account for less than one half.

Similarly the problem is acute in the lower income brackets of the services. One of the reasons for the problem being more acute among semi-skilled and unskilled workers and amongst those in search of clerical posts is that the decrease in the employment opportunities has been mostly in the category of posts carrying emoluments of Rs. 60 per month and less. In 1950, about 45,000 persons were placed on employment by Exchanges in jobs carrying emoluments of Rs. 30 per month and less; the number fell to about 44,000 in 1951 and to less than 16,000 in 1952, and in the first quarter of 1953, it was only about 2300. In the category of posts carrying emoluments between Rs. 30 and 60 per month, the placings in 1950 amounted to 244,000 and this went up to 305,000 in 1951; but again it fell sharply to 210,000 in 1952, and the placings in the first quarter of 1953 amounted to less than 30,000. The picture is markedly different in respect of jobs carrying Rs. 60 and Rs. 100 per month. As compared to a little over 36,000 placings in 1950, they have been over 57,000 in 1951 and 107,000 in 1952, and 20,000 in the first quarter of 1953."

Now, coming to unemployment among the educated, it may be inferred from the above that the problem of unemployment in the urban areas is one which has affected mainly the educated persons seeking lower paid clerical posts and semi-skilled and unskilled labour. In magnitude, the problem is most serious in the case of unskilled labour. Of the total number of persons on the Live Registers of the Employment Exchanges, unskilled persons account for over 2·3 lakhs which is about 50 per cent. of the total. In comparison the educated unemployed are smaller in number, even though the coverage on the Exchanges in respect of this category is likely to be more complete than for unskilled labour. In all, there are about 118,000 matriculates and graduates on the Live Register of the Employment Exchanges. Of these 118,000 nearly 80 per cent. are matriculates and about ten per cent. are persons who have passed the intermediate examination. These data indicate that while the problem of employment of educated in the country is serious, unemployment among semi-skilled and unskilled labour has to receive equal if not more importance in framing a programme to meet the problem. This is something which has to be kept in view in devising measures to meet the present situation.

[Shri B. R. Bhagat]

Coming to the unemployed skilled labour, though the increase in unemployment in the urban areas is more evident among applicants for clerical, semi-skilled and unskilled labour, the Live Registers of the Employment Exchanges carry also a large number of skilled technical personnel. At the end of 30th April 1953, there were over 11,000 fitters and mechanics seeking employment through the Exchanges, 10,000 railway, road, transport and airways workers, about 6,000 wood workers, over 6,000 machineshop and electrical workers and more than 2,000 building and road workers. Some of the unemployment among the skilled workers may be of a frictional nature and it is also probable that a good number of the persons on the Live Registers of the Employment Exchanges under these categories are not unemployed but are in search of better and more remunerative employment. Nevertheless, it is important to bear in mind that, at present, the unemployed in the urban areas include also a fair number of skilled personnel, who, within the framework of a developing economy should really have no difficulty in being absorbed.

Coming to the more important sector, namely, the industrial sector as a whole, as mentioned earlier, there has been no diminution in factory employment, but there has been distress in particular industries and among the uneconomic units which have not been able to adjust their costs in the face of the price recession. In the textile industry, which is a good example of the two conflicting tendencies, the total number of workers in May 1952 showed an improvement of 16,000 as compared to previous year; the figure on 1st July 1953 stands at nearly 819,000 which is a further improvement of 12,000 in the industry as a whole. But side by side there have been difficulties in individual units within the industry and, at present, there are 24 mills which have closed down totally or partially.

The jute industry presents another type of problem. Exports of jute account for 90 per cent. of the total production in this industry. In the face of growing competition from jute mills in Europe and falling prices, the jute industry in the country.....

Shri Bhagwat Jha: If the Government is particular about acquainting us with these facts they should have circulated a note. Reading at Toofan Express speed, it is impossible for us to follow.

Shri B. R. Bhagat:......which has been operating with very old machinery and is in need of modernisation and replacement on a large scale, has had to restrict its output. As a result, employment in the industry has come down by about 20,000 in the course of the last year.

Reliable information on the latest employment position is not available in respect of the other industries; but it would appear that labour has been thrown out of employment in fairly large numbers in the mica and shellac industries—both of which are dependent on export demand—and in coal mining. The precise causes of unemployment in the latter are being enquired into. Among the other industries which have recorded declines in the last six months, the most important are automobiles, structural engineering, agricultural machinery, industrial machinery and foundries and cement. Apart from the fact that the increase in the unemployed in these cases is numerically not very large, it is also possible that some of the decline in recent months is attributable to seasonal factors. Employment in the automobile industry has been affected by certain measures which the Government have announced in order to develop manufacturing of automobiles within the country. While the demand for the products of the structural engineering and industrial and agricultural machinery industries has continued to be slack, there have been some signs recently of revival in the demand for diesel engines and also in regard to wood screws, machine screws, wire-netting, carding engines, as well as the electrical and machanical industries. Regarding the cement industry, it would appear that there has been a decline in employment only when compared to an earlier period when new quarries were being opened by the industry.

Coming to the employment position in the technical and managerial posts in industry, the Associated Chambers of Commerce have furnished some statistics regarding employment position in their member firms which are of some interest.

Shri Sinhasan Singh: Would it not be better, if all this is circulated to us?

Mr. Chairman: The hon. Member is giving information which will be useful to the House, let him proceed.

Shri Frank Anthony: Can any Member keep his eyes glued to a piece of paper and read it? Over and over again we are told that no Member can read in the House.

Shri B. R. Bhagat: I have taken the permission of the Chair.

Mr. Chairman: He is giving information about certain facts and figures and I do not think there is any objection to his reading that.

Shri B. R. Bhagat: Persons employed in technical posts in these firms increased from 11,825 in January 1952 to 12,973 in January 1953 and to 13,105 in July 1953. In the managerial posts, the number has increased in the same periods from 13,332 to 14,510 and then to 14,766 respectively. In both cases the increase in employment of Indian nationals has been somewhat larger as there has been some diminution in the number of non-Indians employed.

Now, on the basis of the information available, it can be stated precisely that unemployment has increased even while employment is increasing—mainly because employment opportunities do not keep pace with the annual additions to the labour force as a result of the increase in population. The present unemployment problem is more due to the insufficient rate of expansion than to the actual decline in employment.

Viewing urban unemployment as a whole on the basis of available data, it would appear therefore that:

(1) the problem is most acute in respect of persons seeking clerical posts and among semi-skilled and unskilled labour;

(2) the diminution in opportunities for these sections of the labour force has been largely in respect of posts carrying Rs. 60 per month and below;

(3) the number of educated unemployed does not in itself seem unmanageable but the problem is serious when viewed in the light of recent trends in the output of matriculates and non-professional graduates;

(4) there is evidence of diminution in employment opportunities among the higher levels of technical and managerial personnel but there are a fairly large number of unemployed at the lower level among skilled workers of certain categories; and

(5) while employment has fallen in particular sections of industry, factory employment in the country as a whole has not declined to any noticeable extent.

As regards the rural sector, there the problem is mainly of an endemic character. It is a fact most patently known that, neither enough land nor capital equipment for the employment of man power exists today. But there the adjustment takes place through cutting down productivity per man.

[Shri B. R. Bhagat]

not by throwing out of surplus labour as in industrial units. This process has been going on and we have witnessed the falling *per capita* income and not discharge of labour. That problem cannot technically be called unemployment problem. The problem is more of "economic distress" than of unemployment. I give this definition because it requires different remedies. Basically our problem viewed in the short term aspect, is that of urban unemployment and we should face the situation as it arises.

Mr. Chairman: Shri Ramachandra Reddi.

Shri S. S. More: Sir, I would like to know on what basis speakers are selected.

Mr. Chairman: They catch my eye, that is the only principle.

Shri S. S. More: Some of us have moved amendments and expect a chance.

Mr. Chairman: They will get a chance.

Shri A. M. Thomas: On a point of information, is the debate likely to end at 1-15?

Mr. Chairman: I cannot say just now: I shall decide at 1-15.

Shri Ramachandra Reddi (Nellore): It is good on the part of the Government to have come forward this morning with a detailed statement about the unemployment question. It only indicates that the gravity of the problem has been noticed by the Government and they are trying to find out certain methods by which the problem can be solved.

It is very clear from the statement that much attention has not been paid to rural unemployment which seems to be the crux of the problem. I would therefore deal only with that aspect of the unemployment question and try to make a few suggestions which may be of some use.

There is no use giving theoretical expression to the unemployment question, not only in the House but everywhere else. The importance of the problem has been understood and noticed, and every one is anxious to find out some method of solving this problem.

It is also welcome to notice that the hon. Finance Minister himself has given notice of an amendment. It shows to what extent the Government is anxious to find out ways and means of solving this question.

As I have already mentioned, the entire problem has to be first studied at the rural stage. As there is unemployment and under-employment in the rural areas much of the rural population is migrating to urban areas, and when they do not find enough employment in the urban areas they are migrating to other countries also. When people are educated in the rural areas they find they have no employment and so the educated few are also migrating to urban areas. It will be very useful to examine the position of rural unemployment and try to solve it.

According to the Five Year Plan there is an extent of 98 million acres of land which is cultivable but not brought under cultivation. It is very curious to note that the Government has not made any serious attempt to distribute this land or to use this land. Some time back the hon. Finance Minister told us that the land laughs at the person who owns the land but who does not use it. I can only expand that analogy and say that though there is enough land to go round, Government, the owner of the land today, does not find its way to distribute it and make it useful. If these 98 million acres of cultivable land can be distributed among the landless in each village, to the extent it is available around each village, it will go a great way to help not only production of food or any other commodity but also to solve the unemployment problem in that area. In fact if a man is given four to five acres of cultivable land, of course free of cost, he will utilise it and produce something and live upon that. To that extent there is a larger amount of social security in that area, and in the rural areas.

Land reclamation has been thought of, but it is not being followed with the amount of enthusiasm and speed that it deserves. Every one thinks of the industrialisation of the country without recognising the difficulties thereof. No doubt industrialisation has to progress at a greater speed, but the more we produce the greater is the difficulty of disposing of the goods produced.

For instance, take the textile industry. We have been told that as many as twenty-four mills have closed down for the simple reason that they are not economic in production. If the handloom industry, which is perhaps the biggest cottage industry in this country, has to be developed, it is not merely by an expression of sympathy to the handloom weavers that we can help them but by giving them all the assistance that the Government can give. No doubt due to the recent change in the ideas of the Government, that the handloom industry must be encouraged to a larger extent, probably there will be some encouragement in that direction. But how to sell the handloom goods? There is already a slump. If the handloom industry is going to be developed, and the *kadhar* side also, the large slump that is already noticeable will only be increased.

It is necessary that the handloom industry should be improved and subsidised in such a manner that the handloom weaver will make a living and the consumer who uses the handloom products will also have better opportunities of using the cloth if it is sold at a lower price.

For that purpose, since cotton is going up in price, there must be subsidising of the cotton grower as well as the manufacturer of the handloom cloth. It is not sufficient if you simply concentrate upon other minor cottage industries which might not go a long way to decrease the unemployment in rural areas.

It is therefore seriously suggested that each State Government should be immediately consulted as to the possibilities of development and utilisation of the land in their respective States, and they should be asked to take decisions as to the best way of distributing the lands, to make them productive as well as useful for solving the unemployment problem.

There are no doubt certain difficulties in the development of these lands, but the Government will have to give aid by providing immediate facilities for irrigation wherever it is possible, and also subsidise the cultivators to some extent so that they might go on with their operations without much difficulty.

Government alone might not be able to give all the help that is necessary directly. There are co-operative institutions which can help these cultivators either on a co-operative system or in the shape of individual help given to those persons.

It is therefore necessary that the entire matter should be tackled at the village level rather than at the urban level. As it is, as unemployment is growing in the villages these people are migrating to the urban areas and adding their voice of discontent in the urban areas. Naturally, when they are forced to go back to their villages, this voice of dissatisfaction is being carried back to the villages. Therefore, I say that this matter is to be tackled at the rural level itself, especially in the agricultural sector.

I do not want to take more time of the House because there are so many hon. Members anxious to speak. I wanted to deal with this aspect only of the unemployment question and I hope the Government will come forward to instruct the State Governments to find out ways of distributing the available cultivable land free of cost to the landless

[Shri Ramachandra Reddi]

agricultural labour and see that the unemployment question in that sector is partly solved.

श्री एस० एन० दास: सभापति जी, जिस सवाल पर आज संसद् में बहस चल रही है मेरे ख्याल में उस से बढ़ कर के महत्वपूर्ण सवाल आज हिन्दुस्तान में दूसरा कोई नहीं है । हिन्दुस्तान की जो मौजूदा अर्थ नीति है, मेरा ख्याल है कि इस बीमारी की जड़ उसी अर्थ नीति में है । चार वर्षों से जब संसद् में हमारे वित्त मंत्री ने बजट पेश किया है, उन सभी भाषणों के पढ़ने से ऐसा मालूम पड़ता है कि हिन्दुस्तान की बेकारी की समस्या इतनी बड़ी समस्या है कि जिस को सरकार निकट भविष्य में गम्भीरतापूर्वक नहीं ले सकती है । पंच वर्षीय योजना को बनाने के लिये जो कमीशन बैठा उस कमीशन ने जो अपना ड्राफ्ट पबलिकेशन किया, उस के पढ़ने से मालूम होता है कि बेकारी की समस्या हिन्दुस्तान में कुछ भी नहीं है । जब संसद् में और संसद् के बाहर बड़े बड़े वक्ताओं ने और बड़े बड़े पत्रकारों ने इस पर बहुत जोर दिया तब इस बार जब अन्तिम रूप में पंच वर्षीय योजना हमारे सामने आई है तो बेकारी की समस्या पर थोड़ा ध्यान दिया गया है, ऐसा मालूम पड़ता है । कहा जाता है कि हिन्दुस्तान के करोड़ों लोगों को अगर हम काम दे देंगे तो देश में उपभोग का इतना सामान नहीं है कि जो हम उन को दे सकें । और उसका नतीजा बतलाया जाता है कि देश में बहुत मुद्रास्फीति हो जायगा और इनफ़्लेशन हो जायगा, बात सही है, लेकिन जिस विधान को हम ने अपने सामने रक्खा है, विधान में जो डाइरेक्टिव प्रिंसिपल आफ स्टट पालिसी बनाये हैं उस में हम ने इस बात का आश्वासन दिया है, इस बात की हम ने प्रतिज्ञा की है कि देश के किसी भी सक्षम आदमी को जो काम करने लायक हो, काम देंगे और ऐसी नीति को अखित्यार करेंगे कि जिस नीति अख्तियार करने से हर एक का स्टैन्डर्ड ऊंचा बढ़े, लेकिन आज हमारे बड़े बड़े अर्थ शास्त्र के जानने वाले और इस संसद के बहुत से सदस्य भी कहते हैं कि बेकारी की समस्या का समाधान विकास की समस्या के साथ होना चाहिए । बात तो सही है कि बिना विकास के बेकारी की समस्या का समाधान नहीं हो सकता है, लेकिन यह भी मानना पड़ेगा कि समाज के अन्दर एक वर्ग आराम से बड़े महलों में रहे और इस देश के अर्थ शास्त्री लोग करोड़ों भूखे और नंगे आदमियों को कहें कि अगर तुम को हम काम दे देंगे तो देश के अन्दर इनफ़लेशन हो जायगा, चीज़ों के दाम बहुत बढ़ जायेंगे, यह उपदेश चलने वाला नहीं है । इसलिये मैं इस बात के लिए हर्ष जाहिर करता हूं कि आज हमारे वित्त मंत्री ने इस समस्या के महत्व को महसूस किया है और पंचवर्षीय योजना के बनाने वाले जो हमारे प्लानिंग कमीशन के माननीय सदस्य हैं, उन के कानों में यह एक आवाज पड़ने लगी है कि अगर हम जल्द से जल्द देश में बेकारी की समस्या का समाधान नहीं करेंगे, तो देश के अन्दर में एक बहुत भारी तूफ़ान आ जायगा । ख़ैर देर आये दुरुस्त आये "better late than never" में इस बात को कहकर सन्तोष मानता हूं । वक्त कम है, इसलिए मैं इसकी विवेचना में नहीं जाना चाहता, विवेचना सही है, निदान सही है, मानी हुई बात है कि देश के कई करोड़ लोग ऐसे हैं जिन को कुछ भी काम नहीं मिलता है, या थोड़ा और अपर्याप्त काम मिलने के कारण अधिक समय बेकार रहते हैं, बहुत से लोग ऐसे हैं जो साल में चार, छै महीने काम करते हैं, और बाकी समय बेकार रहते हैं । समस्या

क्या है, जैसा कि हमारे पूर्व के नेता आचार्य कृपलानी जी ने कहा है कि इस देश की अर्थ नीति के जो निर्माण करने वाले लोग हैं, उन लोगों के या तो सोचने में सफाई नहीं है, या उनका दिमाग साफ नहीं है कि किस रास्ते से हिन्दुस्तान की जो गम्भीर समस्या है, बेकारी और गरीबी की, उस को हम किस तरह से हल कर सकते हैं ? अथवा जिस तरह से हम को स्वराज्य हुआ है, उस में स्थापित स्वार्थों को कायम रख के हम इस समस्या का समाधान करना चाहेंगे. तो समस्या का समाधान नहीं हो सकता है । अभी तक हमारी सरकार ने जब जब हम ने बजट के समय में वित्त मंत्री के भाषण को पढ़ा, हम ने पाया कि हर समय आपकी पूंजीपतियों को खुश करने की चेष्टा रही ताकि देश में कैपिटल फ़ारमेशन हो सके, कभी टैक्स बढ़ाये गये, और कभी घटाये गये, क्योंकि अगर हम टैक्स ज्यादा बढ़ायेंगे तो कैपिटल फारमेशन नहीं होगा, और जब कैपिटल फ़ारमेशन नहीं होगा, तो उद्योग धंधे नहीं चलेंगे, और उस अवस्था में देश में बेकारी बढ़ेगी, पश्चिम के देश वालों ने भी इस तरह की जो पद्धति है, इस तरह की जो अर्थ नीति है, उस को चला कर के देख लिया है और जब कि तमाम उपनिवेश हिन्दुस्तान जैसे बड़े देश पूंजीवादी देशों के हाथ में थे, तब भी पूंजीपति वर्ग इस बेकारी को समस्या का समाधान नहीं कर सका, आज के दिन तो हमारा भारत देश न तो पूंजी में इतना बड़ा है और न हमारे देश में इतने उपनिवेश हैं और न कारखाने मिलने वाले हैं, न हम किसी देश पर चढ़ाई कर के उसे अपने अधिकार में रखने की नीयत रखते हैं, केवल विकास पर जोर दे कर के आप बेकारी की समस्या का समाधान करना चाहें तो मैं आप से कहूंगा कि आप को सफलता नहीं मिलने वाली ,है हमें तो अपने देश की अर्थ नीति में इस प्रकार सुधार और परिवर्तन करना है ताकि अधिक से अधिक लोगों को काम मिले और अधिक से अधिक लोगों को काम मिलने के साथ साथ हम आर्थिक विकास को भी चलाने की कोशिश करें । मैं समझता हूं कि मिक्सड एकोनामी की जो स्कीम हमने अपने मुल्क में रक्खी है, यह मिक्सड एकोनामी की अर्थ नीति पूरी सफल होने वाली नहीं है, अभी तक पांच वर्षों में जो हम ने इस के कार्य को देखा है उस से इस बेकारी की समस्या का और अन्य दूसरी आर्थिक समस्याओं का समाधान नहीं हो सका है । अब वक्त आ गया है जब आप को अपने देश के लाखों गांवों में जो रहने वाले लोग अर्द्धबेकार हैं, उन की तरफ़ और हिन्दुस्तान के स्कूल और कालिजेज़ से जो निकले हुए लोग हैं जिन्हें आप बेकार कहते हैं, पर जो आप के बनाये हुए हैं, उन का ध्यान रक्खें । दूसरे उन मजदूर लोगों का ख्याल रक्खें जो किसी दस्तकारी अथवा उद्योग धंधे में लगे हुए हैं, उन में फैलती हुई बेकारी को रोकिये । अगर आप उन की बातों को ध्यान में रख कर अपनी नीति और योजना में फिर से सुधार नहीं करेंगे तो समस्या का समाधान नहीं हो सकता है । दूसरी बात मैं आप से यह भी कहना चाहूंगा कि आज देश में मध्यम श्रेणी के लोगों की आवाज है, जिस समाज से पढ़े लिखे लोग आते हैं, उस समाज की आवाज आज काफ़ी बुलन्द है और अगर हम ने इन पढ़े लिखे लोगों को उत्पादन के काम में नहीं लगाया, तो मुझे भय है कि देश के अन्दर एक ऐसी हवा एक ऐसा वातावरण पैदा हो जायगा जिसमें किसी तरह की रचना अथवा किसी तरह की समस्या को हल करन का काम नहीं कर सकते । मुझे दुःख के साथ यह कहना पड़ता है कि आज हमारे मुल्क में जरूरत इस बात की है कि अधिक से अधिक उत्पादन हम करें, ताकि हमारे

[श्री एस० एन० दास]

शुल्क में अधिक से अधिक उनका उपभोग हो और अधिक से अधिक लोगों को हम काम दे सकेंगे । देश में हम देखते हैं कि एक तरफ़ हमारा उत्पादन बढ़ता है, तो दूसरी तरफ़ बेकारी बढ़ती है । टेक्सटाइल इंडस्ट्री में देखिये, जैसे जैसे इस उद्योग को रेशनेलाइज करते जाते हैं वैसे वैसे उसका उत्पादन बढ़ता जाता है । साथ ही ऐसा करने से उस उद्योग में लगे लोगों की तादाद घटती जाती है । जिस तरह से उत्पादन बढ़ा है, उसी के अनुपात में बेकारी भी बढ़ी है । इसलिए मैं यह कहना चाहूंगा कि आज जिस समस्या का हम समाधान करना चाहते हैं वह सब से पहला सवाल न होकर सब से पीछे का सवाल है, क्योंकि स्कूल, कालिज में हज़ारों रुपये खर्च करने के बाद बी० ए० और एम० ए० हो जाते हैं, वह हमारी समाज के किसी काम के नहीं हैं, सिवाय क्लर्की अथवा केरानी का छोटा मोटा काम करने के अलावा किसी दूसरे काम के नहीं होते हैं, वैसे तो इन लोगों का सवाल सब से पीछे आना चाहिए, लेकिन राजनीति यह कहती है कि जो लोग आवाज़ वाले हैं, पढ़ लिख कर शहरों में, गांवों में जा कर इस तरह की हवा पैदा करते हैं जिस से समाज में उथलपुथल होती है और उथलपुथल होने की वजह से समाज की रचना का काम नहीं हो सकता है, और इस हेतु मैं अपने वित्त मंत्री महोदय को धन्यवाद देता हूं कि उन्होंने शिक्षा के सम्बन्ध में ८० हज़ार आदमियों को काम देने के लिये एक योजना सभी राज्यों को भेजी है, मैं इस के लिए उन का अभिनन्दन करता हूं और ऐसा इसलिये करता हूं कि अगर हम बेकार लोगों को ठीक से काम में नहीं लगायेंगे, तो जो बेकार रहते हैं उन के दिमाग़ में एक भूत रहता है और जिस के दिमाग़ में बेकारी का भूत सवार रहता है वह सिर्फ़ अपने स्वार्थ को छोड़ कुछ देखता नहीं है और फलस्वरूप देश के अन्दर एक ऐसी हवा पैदा करता है जिस से देश में शान्ति नहीं रह सकती और बेकारी के फैलने से देश में अमन चैन के लिए खतरा पैदा हो जाता है ।

अगर अमन और चैन को खतरा हो जायेगा तो फिर हम मुल्क का कोई काम नहीं कर सकेंगे । इस लिये यह सब से महत्व की चीज है । बारह, तेरह वर्ष तक स्कूल और कालेज में पढ़ने के बाद ऐसे लोग पैदा होते हैं जो समाज के किसी काम के नहीं होते हैं सिवा इस के कि वह क्लर्की करें, किरानी का काम करें । हालांकि वह मैट्रिक या बी० ए० पास होते हैं लेकिन अगर उन को एक चिट्ठी लिखने को दे दी जाय तो भी वह गल्ती करते हैं । इस लिये इस क्षेत्र के बेकार लोगों को जल्द से जल्द काम देना राष्ट्र का पहला कर्तव्य है ।

दूसरी बात मैं यह कहता हूं कि संसद में या संसद के बाहर जब कभी बेकारी का सवाल उठाया जाता है तो बेकार उन्हीं लोगों को कहा जाता है जोकि नौकरी खोजते हैं और कहा जाता है कि उन को काम नहीं मिलता । लेकिन बहुत से छोटे छोटे किसान होते हैं जिन के पास बहुत थोड़ी सी जमीन होती है । वर्ष में कठिनाई से दो या तीन महीने वे लोग काम करते हैं । बाकी समय में बेकार रहते हैं, अधभूखे रहते हैं और पहिनने को कपड़ा तक नहीं पाते हैं । ऐसे लोगों के सवाल पर बहुत कम विचार किया जाता है । चाहे सरकारी क्षेत्र हो चाहे और कहीं, कहीं पर उन की अवस्था पर ध्यान नहीं दिया जाता है । अखबारों के अन्दर भी उन्हीं लोगों के विषय में छपता है जोकि पढ़े लिखे होते हैं, मैट्रिक या बी० ए०

पास होते हैं । संसद में भी ज्यादातर उन्हीं लोगों की बात होती है । हम लोग जिस श्रेणी के हैं उस श्रेणी को तकलीफ तो है लेकिन उस श्रेणी के मुकाबले में कम है जो गिरी हुई है, भूखी है, नंगी है । आज हम यहां पर देश का प्रतिनिधित्व करने की बात कहते हैं लेकिन दरअस्ल हम उन के सच्चे प्रतिनिधि नहीं हैं । अगर हम उन के सच्चे प्रतिनिधि होते तो उन के दुःख और दर्द को दूर करने की सब से पहले कोशिश करते । देश में उपयोग के सामान कम हैं पर बहुत ऐसे लोग हैं जो बड़े बड़े आलीशान मकानों में रहते हैं, अच्छे से अच्छा भोजन करते हैं, अच्छे से अच्छा वस्त्र पहिनते हैं लेकिन हालांकि हम ने विधान जिस समय बनाया था उस समय यह कहा था कि हम सब लोगों को काम देंगे, अब तक ऐसा कोई काम नहीं किया गया है जिस से मालूम हो सके कि उन गरीबों के लिये कुछ त्याग किया गया है । हम लोग हाल में एक लेक्चर सुनने गये थे, उस में एक साहब ने कहा था कि जब तक देश के अन्दर त्याग की भावना नहीं होगी, जब तक कुछ तकलीफ बर्दाश्त करने के लिये हम तैयार नहीं होंगे तब तक हम अपने निर्माण का काम नहीं कर सकते । बात सही है, लेकिन त्याग कौन करे ? त्याग करेगा वह जिस के पास होगा । पर जिस के पास है वह आज त्याग करने के लिये तैयार नहीं है और जिस के पास नहीं है उस को लेक्चर देते हैं कि त्याग करो । वह त्याग क्या करेगा जिस के पास खाने के लिये भी नहीं है । इस लिये जो सामान गरीबों के इस्तेमाल का नहीं है और धनी लोग केवल अपने ऐश व आराम के लिये व्यवहार करते हैं, ऐसी सभी चीजों का आयात बिल्कुल रोक देना चाहिये । सबसे पहला काम यह होना चाहिये । जब हमारे देश में लोग भूखे मरते हैं तो हम को देश में इन चीजों को बाहर से मंगाने की क्या जरूरत है ? हमें ऐसी चीज़ों की ज्यादा जरूरत है जो समाज के काम में आ सकें न कि लोगों के ऐश व आराम में । एक तरफ तो आप डेवेलपमेंट करने के लिये लेक्चर दें और दूसरी तरफ करोड़ों आदमी बेकार रह कर भूखों रहें यह चलने वाला नहीं है । डेवलपमेंट (विकास) और एम्प्लायमेंट (सभी को काम देना) दोनों को साथ साथ ले चलना होगा । इस लिये देश में इस समय बड़े बड़े पूंजीपतियों के आराम और विलासिता की चीज़ों के आयात को बन्द करना होगा और गरीबों के उपभोग की चीजों को बनाने का देश में इन्तजाम करना होगा । ऐसे उद्योग धंधों को जल्द आगे बढ़ाना होगा जिस से बेकार और अर्द्ध-बेकार किसानों और व्यवसायियों को काम मिल सके ।

इन शब्दों के साथ मैं अपने संशोधन को पेश करता हूं और कहना चाहता हूं कि बिना बेकारी और अर्द्धबेकारी की पूरी इन्क्वायरी किये हुए अगर हम काम करेंगे, तो काम ठीक से नहीं होगा । जब तक हमारे सामने सर्वे करने के बाद सारे आंकड़े न होंगे, जब तक हमें सारी स्थिति का ज्ञान न होगा तब तक हमारी समस्याओं का समाधान नहीं हो सकता । इस लिये मैं ने अपने संशोधन में इस बात को पेश किया है कि जल्द से जल्द सरकार आल इंडिया बेसिस पर बेकारी का सर्वे करे और इस की जांच पड़ताल करने के बाद जल्द से जल्द अपनी नीति निर्धारित करे जिस से जल्द से जल्द लोगों को काम मिले और देश की गरीब जनता का स्टैंडर्ड आफ लिविंग बढ़े ।

1 P.M.

Shri Frank Anthony: My resolution seeks to draw attention to....

An Hon. Member: Amendment.

Shri Frank Anthony: I beg your pardon. My amendment seeks to

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draw attention first to the inadequacy of the measures adopted by the Five Year Plan, the need for drastic steps to reduce Government expenditure, and finally creation of improved Employment Exchanges.

As has already been emphasized, the problem is not only an urgent one, but a very difficult one, and I endorse the approach of Acharya Kripalani that we should look at it in a national way. It is not a problem which we should seek to exploit on a political platform, nor a problem from which we should seek to gain some partisan advantage. I do not agree that the problem is due to one party or to any party. The problem is not only chronic, but an endemic one, and unlike my Communist friends I do not think that there is any easy or clear-cut solution. There is no easy nostrum to this chronic problem.

The Planning Commission has specified certain targets, and the Parliamentary Secretary has mentioned certain figures. As far as I could make out, the Plan envisaged employment in the urban areas to the extent of five lakhs per year. And as far as I could also make out, in the two years that have elapsed, in the urban areas we should have secured at least ten lakhs of employment but the figures released by the Directorate of Resettlement and Employment suggest that not even half that number has been employed in the urban areas. And I have here the figures released by the Directorate-General in April which show that the register of unemployed persons in April reached the unprecedented figure of five lakhs. I agree with the Parliamentary Secretary to the Finance Minister that the problem is essentially an urban one, but as he has admitted, our statistics are notoriously unreliable, very inaccurate......

Shri C. D. Deshmukh: Incomplete.

Shri Frank Anthony:......very incomplete, because those who know suggest or maintain that for one person who registers at an Employment Exchange, ten persons make no use whatsoever of Employment Exchanges. This gives us some idea of the staggering enormity of the unemployment in urban areas. So far as the rural areas are concerned, we have no Employment Exchanges, and because of that we cannot even gauge partially the extent of the unemployment in the rural areas.

I have seen what I feel amount to claims by the Government that the quantum of employment is not shrinking but the additional unemployment is due to the fact that so many more people reached the employment age each year. I feel that this is a thesis that I am unable to accept. My own feeling is that the quantum of employment is also shrinking. Everywhere, it is the same story of retrenchment. and still further retrenchment. I saw a statement that at least 25,000 persons have been retrenched in the Assam tea gardens. The INTUC went to the extent of saying that at least 60,000 people had been unemployed in the tea gardens. Fifteen thousand people, I am told, have been retrenched in the jute industry. Many thousands have been retrenched in the coal fields. Here I have heard assertions by businessmen that unemployment in the coal fields is essentially a man-made problem, that the unemployment there has been created because of transport bottlenecks.

Then, we have the increasing retrenchment by Government. With derationing in the various States, the Civil Supplies Departments have retrenched mercilessly. The Ordnance factories have embarked on a programme of retrenchment. The Calcutta Port Commissioners have retrenched. Recently, the Vizagapatam Shipyard discharged 800 people, and as the Parliamentary Secretary has told us, the position in the commercial houses is, if any thing, even worse.

He has admitted that the targets in the Plan have already been falsified, and that in the two or two and a half years that the Plan has run, it has fallen down. And I say this with all respect—I have a very great respect for the Finance Minister—that some of us have begun to think that there is something wrong with the financial policies of the Government. I concede that he is an expert. I am very overawed by experts, but I am always heartened by the definition that an expert is a person who learns more and more about less and less. Sometimes experts tend to run away from reality. I feel, and I say so with all due respect, that there is something radically wrong with our financial policy.

Recently the Planning Commission issued an eleven-point programme. I am not questioning the motives of the planners. They are as sincere people as you possibly can find anywhere in the country. But what I am questioning is the correctness of their approach, and the correctness of their assessment. I say with all humility that in my opinion, for what it is worth, the cardinal defect of the Plan and this eleven-point programme is the same, *viz.*, there is undue emphasis on long-term measures. There is an almost exclusive emphasis on the multi-purpose schemes. I admit that multi-purpose schemes make very fine talking points. It titillates demagogic palates to talk of the millions of acres which we are going to irrigate, and the millions of tons of food that we are going to produce, but the stark fact remains that your starving and semi-starving people cannot eat your multi-purpose schemes. What is more important is that their souls are not going to be sustained by the mirage of what may or may not happen in the next ten years. It is all very well for politicians and demagogues to go round the country asking people to produce more. It may be very good economic philosophy; it may even be very good political philosophy, when you ask them to produce more, but your starving people cannot eat philosophy. And that is my complaint with the policy of the Government. There is a cardinal defect in their entire approach, and their emphasis. I admit that in the final analysis, there must be a long-term solution, but this growing unemployment is an immediate and urgent problem which can be solved only if there is a scheme, or at least a scheme with partially increased emphasis on short-term measures. I seem to have gathered the impression that the Planning Commission has deprecated building activities. In my opinion, building activities represent one of the greatest givers of employment. I do not understand why the Planning Commission should have deprecated building activities.

What about your transport industry? Your transport industry today is absolutely in the doldrums. Here again I join issue with my hon. friend and say your transport industry is in the doldrums, because of the mistaken taxes that you had imposed on it; the various excise duties and other various high taxes that have been imposed have destroyed your transport industry. There are two facets to the transport industry, being in this chronic condition. The first is that—and it is based on some knowledge of the railways also—your railways are going to prove to be an increasingly broken reed, not only because of internal inefficiency, but because the amount that you have earmarked for the railways is a hopelessly, miserably in-adequate amount. That amount is never going to enable your railways to cope even partially with the growing needs of your growing industry. What is going to happen in that case? On the other hand, already there are complaints from the business community that because of your transport bottlenecks, the industry is not only inhibited, but it is being crippled. There are these two facets to this problem. If you remove your man-made brakes, people who ought to know say that immediately you will be able to put on the roads a hundred or two hundred thousands of lorries, and immediately you will have the spectacular advantage in the

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matter of employment as well, for you will be able to employ anything between a lakh and four lakhs of people; you will also have the advantage that your increasingly broken reed of the railways will be fortified, and thereby you will be able to sustain your growing industry by having a revitalised transport industry.

The Planning Commission has underlined technical education. I agree with the underlining, but there is some lack of coordination here. I was looking at the figures released by the Employment Directorate. Even today you find people—doctors, engineers, all your skilled people—joining in an increasing number the army of our unemployed. They are joining in an increasing number in utter demorilisation the ranks of the unemployed. Already you have this increased unemployment among your technical personnel. What you require today—I do not say, 'Do not underline your technical education'—is an immediate short-term scheme, an organisation of coordination, to see that your technically qualified people are put in where they are needed. We admit that there is a woeful lack of technically qualified people in the country. Only yesterday a B-licence pilot came to me and said, 'There are 130 B-licence pilots who are being demoralised, men who are unemployed'. Their fathers have spent on their education any thing from Rs. 15,000 to Rs. 20,000. We have a tremendous inadequacy of pilots. Yet there are 130 unemployed B-licence pilots looking out for some kind of job to do.

I submit that the most important thing to do—either you do it within the Plan or you do it outside the Plan—is that you must have more public works. The figures released by the Employment Directorate show that more than half of our unemployed people are unskilled. How are you going to employ them unless you expand your programme? I say that your programme of public works is not adequate. Either within the Plan or outside it, you must have more public works. In order to do it, you will have to find, in my opinion—it may be an inadequate figure—at least 100 crores of rupees. Now, there are two ways, I suggest, of your being able to find it. First, drastic economy. Prune all unnecessary wasteful governmental expenditure. You are wasting crores and crores of rupees. And then I would advise the Finance Minister very ardently to woo his latest love, that is, deficit financing. You must find 100 crores of rupees, and in order to do that, Government will have to show a little more strength, a little more courage. This is my fear: the Government is either too complacent or it has not got that sense of urgency, or, in the final analysis, it lacks the courage to take drastic measures which will partially face up to the problem. As Mr. Gopalan has put it in his rather inimitable way, either you continue to kill the people or the people will kill you. There is no qualification to that issue.

A drastic problem necessarily postulates a drastic remedy. With all earnestness, I suggest that Government can fight it in many ways. I say this: that if you are really alive to this problem, really sincere in your desire to achieve something—I do not say you are not sincere in your sympathy for the problem—these are some of the suggestions I have to make. You may not agree with me. You may ridicule these suggestions. But I say: abolish all your Part C States and all the costly and unnecessary paraphernalia. Then stop playing politics by forming these deficit linguistic States, wasting crores and crores of the country's money. Stop all your faddists and cranks in your different States. We see the phenomenon of puritanical perverts wasting crores and crores of the Government's money—the taxpayers' money—in chasing chimeras like prohibition. Is this the time to worry about what people are going to drink? If you wish to worry about what they drink, then do some thing about the filthy, turgid stagnant pools from which the villagers have to drink. But do not work about elixirs and health giving drinks like good whisky and beer. (*Interruptions.*)

Then another suggestion of mine is, abolish your governorships. These are very convenient—I am sorry the Leader of the House is not here—very convenient political sops. Today in the context of the country, your governorships are unsightly anachronisms. Do away with them. But, I know that you will not be able to do that easily. This is a convenient way of serving decrepit members of the ruling party, members of the ruling party who have failed in Cabinet appointments. But, I say this is an unsightly anachronism.

I want you to abolish all Upper Houses. These are luxuries which the country cannot afford.

Then, I say this—I say it with all respect—cut down the number of your Ministers and Deputy Ministers.

Sir, if I can have five minutes more, I will finish.

Mr. Chairman: Yes.

Shri Frank Anthony: I say, cut down the number of your Ministers and Deputy Ministers and Parliamentary Secretaries. Today all of us would fail in a *viva voce* examination if we in the front Benches are asked how many Members are there on the Treasury Benches. We do not know the number and every day it is increasing. It may be 40 or 41. I heard somebody talking about Ali Baba and his 40 men. I respectfully submit that the Viceroy's Executive Council with seven members did at least equally well.

An Hon. Member: Not well.

Shri Frank Anthony: Well, you may think so. This gives rise to criticism. (*Interruption.*) My hon. friend has given me another idea; he suggests that Government is today concerned more with unemployment in the Legislatures than outside. Perhaps that is a criticism which the Minister may not be able to contend with.

Then, let us have a drastic cut in salaries. I do not know who referred to the Pay Commission. It submitted its report not two years ago but seven years ago. I was on it. Even we suggested that there must be drastic pruning at the top. You have not had the courage to carry that out. It was said that the highest salary should not be more than Rs. 2,000. Even that you are not prepared to undertake.

Then we must do something about this Kashmir problem. I know that it is a difficult and a delicate problem. Any reference to it seems to be taboo. But today Kashmir is a running sore on the body politic of India. It is bleeding the country white; we cannot continue the Kashmir problem.

An Hon. Member: What is the relevancy?

Shri Frank Anthony: Don't be afraid. Why should you? You may be afraid but I am not. It is bleeding India financially.

Mr. Chairman: The hon. Member may go on with his list of suggestions.

Some Hon. Members: Let him speak, Sir.

Shri Frank Anthony: I will resume on the next day, Sir.

Mr. Chairman: I have already given him some extra five minutes because I thought it interesting to have his suggestions.

Shri Frank Anthony: I will finish it, Sir. I say, you must face up to this Kashmir problem. We are pouring out the treasure of this country. The Prime Minister is apparently committed to a plebiscite. But let us think over it. Let us not say that because some people are reluctant or disinclined to join us, we should continue to pour out the country's treasure over them. If they do not want to join us let them say so. If they join us let us hug them to our bosoms. We cannot mortage the

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future of this country indefinitely by trying to conciliate people who probably are disinclined to come to us. We must stop this outpouring not only in men, but what is more important of money.

There is the question of prices, which is perhaps my most important point. You cannot consider the problem of unemployment unless you consider with it the inextricable problem of the question of prices. And, it is here that I join particular issue with the Finance Minister. I do not know what his price policy is. But I am speaking objectively as a layman and I say this. To my mind the Government does not seem to have a price policy. It seems to be a matter of drift. I am judging it by the results. The only consequence has been that your price policy, if any, has resulted in a savage inflationary spiral which keeps on ascending. What I am afraid of is this. In the international sphere, the prices have shown a general decline of ten per cent. but. in India, your prices have gone up, on the other hand, by ten per cent. your food-grain index has gone up by 15 to 20 per cent.

Shri C. D. Deshmukh: Since when have the international prices shown a falling trend?

Shri Frank Anthony: I was reading the figures up to June: during the last year.

Shri C. D. Deshmukh: Only last year and not during the last four or five years?

Shri Frank Anthony: I have not studied the figures for the last four or five years: only for the last year.

As against that decline in international prices, in India there has been a rise and that is what I feel to be the cardinal difficulty. Whether Government admits it or not, it appears to be committed to a policy of inflation. Whether Government admits it or not, it has got this sort of high-cost economy. You will have to do some rethinking about your multi-purpose schemes. Some of your multi-purpose schemes will have to be weighed in the balance whether the long-term benefits of your multipurpose schemes are compensated for by the short-term impetus to inflation. You will have to consider whether a scheme like the Hirakud scheme or two schemes have to be put in cold storage, because today they are giving an additional impetus to inflation.

I have great respect for our Finance Minister. I do not think he would do anything deliberately wicked, but his policy of withdrawing the food subsidy was a wicked act. By saving Rs. 15 crores you have made the food of the people dearer; you have added so much more agony to the already existing torture among the people of this country. You will have to consider restoring this food subsidy. Your whole economy—you may call it whatever you like—is to my mind a 'high cost economy'. Because of your excise duties most articles for internal consumption have become expensive. That is what is happening. You have destroyed not only people in the lowest-wage groups; you have destroyed the middle classes because of your high cost economy. Even ordinary items have become inaccessible to them. You have crushed the middle classes out of existence. You have destroyed their capacity to give employment. They were among the biggest givers of employment. Normally a middle class person engaged servants; he even ran a car. But today, he cannot do that, because your duties have made everything expensive for him. Your high export duties are crippling your export trade. My own feeling is that if you go on making everything expensive both for internal consumption and export, you will make hay of your balance of payment position

Finally, may I say this? I feel Government owes a duty to the country to stop all retrenchment, particularly in Government departments. One last word, Sir. There has been much criticism of employment **Exchanges**, not only on the ground of incompetence, but also on the ground of dishonesty. I see no reason for doing away with them. They are very necessáry. If there is any corruption look into it, do away with corruption. But the need today is to strengthen your whole system of Employment Exchanges.

The House then adjourned till Four Clock.

The House reassembled at Four of the of the Clock.

[SHRI FATASKAR *in the Chair*]

ESTATE DUTY BILL.—*Contd.*

Shri C. D. Pande: A great deal of stress has been laid on the argument that because personal law is involved in the *Mitakshara* and *Dayabhaga* controversy Government feel their inability to make a uniform legislation for all the people. To my mind this argument has hardly any force. Is the personal law so sacrosanct as to stand in the way of justice to about ten crores of people in this land? We have seen how property which was supposed to be sacrosanct is no more sacrosanct. Even in the case of the sacred ties of marriage, supposed to be very sacrosanct, there are legislations in various States that bigamy is a penal offence. Hindus had that right to marry more than one wife, but some States have curbed that personal law. Personal law did not stand in the way of that legislation. We are on the threshold of another law that is given the right of property to our daughters. Under our personal law there is no right of property to our daughters. But we are going to curb that barbarous personal law.

Shri U. M. Trivedi: Why do you use the word barbarous?

Shri C. D. Pande: What I wanted to say was that even though it was sacrosanct we have violated that sacrosanctity. I go a step further No piece of social legislation is possible without interfering with personal law, because personal law comes in at every step of good legislation. Therefore, the appeal to personal law and the argument that because personal law is interfered with it is impossible to make a uniform law between *Mitakshara* and *Dayabhaga*, has no force whatsoever.

Do you think that this is the first time that a Parliament is making a legislation of this kind? There are forty-three countries on the globe which have passed this kind of legislation in various priods of history. Nowhere, not even in Pakistan, where there are—in East Bengal—Hindus and Muslims, have the Legislatures made any distinction between the people professing different personal laws. The Pakistan Legislature has never made a distinction between Hindus and Muslims. Personal law never came into the way of making uniform laws. In England there are Jews, Protestants, Catholics, Indians, Parsis. Do you think it ever occurred to an Indian in England that he should claim any differentiation in legislation because be belongs to the *Mitakshara* system? It was said that the father of the Maharaja of Bikaner had a house in France. Did the French Government enquire whether he belonged to the *Mitakshara* or the *Dayabhaga* school? It means that no country in the world has taken personal law into consideration in the matter of legislation. And we have violated, interfered with and disregarded personal law in various legislations in Mr. Gadgil's own State of Bombay, where the personal law of Hindus to marry more than one wife has been abrogated and is no more. You can marry only one wife in Bombay State. You did not go there to say "How can you interfere with the personal law of Hindus?". Therefore, I say that the argument about personal law is no argument whatsoever.

[Shri C. D. Pande]

I wish to emphasize that the dictates of equity and the provisions of the Constitution demand that our legislation, particularly legislation about taxation, should be so uniform and so just that the incidence of taxation may fall equally on the subjects irrespective of their birth, cast, creed or school of law.

That is my submission. I will not say more because I have great faith in the impartiality, wisdom and fairness of our Finance Minister. We have seen how he rose to the occasion and sensed the feeling prevailing in the House and accepted the amendment about charities. Thereby he has earned the gratitude of the whole country. I hope he will not disappoint ten crores of people of this land.

Shri S. V. Ramaswamy: I have listened with great patience and interest to the speeches of Mr. Sarmah, Mr. Chatterjee and lastly the speech of Dr. Pande. The point that they have urged is that there is inequity in the administration of the law as between people living under the *Mitakshara* and the *Dayabhaga* systems and that therefore it must be equalised. My submission is this, that the two systems are so fundamentally different that they are irreconcilable and no amount of effort on the part of this Parliament can resolve this difference. In the case of *Mitakshara*, as we know, the right to ownership of property is both by survivorship and succession, whereas in the case of *Dayabhaga* we do not have the first devolution namely survivorship, because there is no coparcenary as such in *Dayabhaga*. The father is almost absolute in his powers of disposal of property. The son does not get any right by birth. That being so it would be impossible to equate the two.

Dr. Pande said it is after all a personal law, we have interfered with it in other respects, marriage, divorce and so on and so forth. But this is no such personal law which can so easily be affected. Because under the *Dayabhaga* system the property not only devolves in a different manner, but the whole system is based upon religious efficacy, and therefore the relations who succeed to the property are entirely different sets of persons. How this system can be fitted in with the other, as the amendment would have it—as if it is joint family property—I fail to understand. By no stretch of imagination or legal casuistry can they be brought together. Therefore, we must accept that the two systems are different and that difference cannot be resolved.

That is not to argue that the inequities may not be mitigated. We have different remedies for that. Either or both of these methods can be adopted: the rate of duty under Part II can be moderated; also, the exemption—with due deference to my hon. friend Mr. C. C. Shah—can be raised in the case of *Dayabhaga*. These are the only things that we can do.

But my humble submission is that it would be impossible to attempt to bring the two systems together. I therefore oppose this amendment on the ground that the properties, for the purposes of this Bill, cannot be deemed to be governed by the *Mitakshara* system under the Hindu Law.

Shri N. Somana (Coorg): I think we have heard sufficient on the question of *Dayabhaga* law and the misapprehensions or the fears of the Members who are governed by that law in relation to the application of this Bill. I think only one argument is sufficient to convince them that at this stage it would be rather very inappropriate to say that all sections of the people *viz.*, Hindus, Muslims and Christians will be governed by the *Mitakshara* law. That will be a very odd position in my opinion. The only place where some inequality is bound to arise is the rates. Because, so far as the individual holdings are concerned there is absolutely no difference between the *Mitakshara* law and

Dayabhaga law. The only difference arises in the case of coparcenary property. If in the Schedule that is now presented before us certain alterations are made, I should think, the inequality that may arise can certainly be met with.

In the case of *Mitakshara* family the exemption limit is Rs. 50,000 and in the case of others including self-holdings it is Rs. 75,000. My own view is that if this exemption limit in the case of *Dayabhaga* and others is raised to Rs. 1,00,000 this inequality could easily be solved. It would not be heard on anybody.

As I submitted, it would be odd to say that Muslims or Christians should be governed for the purpose of this Bill by the *Mitakshara* law of succession to property. Now as regards that proposition sufficient has been said and no more argument need be repeated. In this connection, under this clause I have tabled an amendment. I request the hon. Finance Minister kindly to give his attention to this amendment which I should think is most non-controversial in its nature. My amendment reads as follows:

In page 4, line 34, *add* at the end:

> "or any other customary law or local enactment by which partition or alienation of property is prohibited".

Now if we look at sub-clause (1) of clause 7, at the end of the statement "a coparcenary interest in the joint family property of a Hindu family governed by the *Mitakshara*, *Marumakkattayam* or *Aliyasantana* law" we find that the words "*Marumakkattayam*" and "*Aliyasantana*" have been introduced for particular reason. No partition or alienation is allowed under these systems of law. There are other places and communities in other parts of the country where patition is not allowed by custom or by local enactment. For example, in my own State there are certain communities where by customary law partition or alienation is not allowed and there is also a local enactment that no suits for partition can be filed in a court of law; courts of law do not recognise partition. So I feel by adding this clause you will be clarifying the position of all the persons, who are governed by such law, to be also covered by this Bill; otherwise there will be inquality in the State. Where certain persons are governed by a particular customary law partition is prohibited. So I wanted this addition to be made.

Now an answer might be given probably by the hon. Finance Minister that the new clause 37-A serves this purpose. But my humble submission is that, if we look at clause 37-A we find that it is in respect of valuation of interest in coparcenary property ceasing on death. Now it is not a substantial clause; it is only a clause which is of a procedural or consequential nature, and describes how actually valuations are made. This is not a substantial clause. The substantial clause that relates to "interests ceasing on death" is clause 7. So I feel that under the heading "Interests ceasing on death" it would be more appropriate if these words are included *viz.*, "any other customary law or local enactment by which partition or alienation of property is prohibited". As I submitted, this is certainly in consonance with the new clause 37A which has been given notice of by the hon. Finance Minister. I request him kindly to make note of this thing. It will not add anything extra to this clause; it will only include all classes in which this customary law is in force. So in the interest of equality and so that there is no change between class and class this position may also be made clear and the addition may be made. It is a most non-controversial matter and I hope the hon. Finance Minister will kindly agree to this amendment which is the spirit of new clause 37-A.

Shri C. D. Deshmukh: The hon. Member is talking of amendment to some latter clause.

Shri N. Somana: The new clause 37-A refers to valuation:

> "(1) The value of the benefit accruing or arising from the cesser of a coparcenary interest in any joint family property governed by the Mitakshara school of Hindu law which ceases on the death of a member thereof shall be the principal value of the share in the joint family property which would have been allotted to the deceased had there been a partition immediately before his death."

This in effect is the idea which I have already put in my amendment. That is to cover a case where partition is actually not allowed by any law or local usage. What I beg to submit is that this is only a procedural matter. In actual substance "Interest ceasing on death" is covered under clause 7. My submission is that that portion of the amendment which I have stated may also be included so that the position may be made clear.

Shri S. S. More: I have moved two amendments. In my first amendment I propose the deletion of sub-clause (2). In my second amendment I have proposed the substitution of this clause by another clause because I want to insert a sort of explanation which will run as under:

> "*Explanation* 1.—For the purpose of this section every Hindu shall be presumed to be governed by the *Mitakshara* law and a father and his sons governed by *Dayabhaga* law shall be deemed to be constituting a coparcenary as under *Mitakshara* law."

I do not propose to cover the grounds which have been so ably covered by the previous speakers but as far as the question of omission of sub-clause (2) is concerned, I feel it is another attempt to give further concessions to the people who are governed by *Mitakshara* law. Sir, you know, according to the *Mitakshara* conception of a joint family the son by birth gets a sort of interest in the property owned by the joint family. If A who is born in a joint *Mitakshara* family, lives for some time, and as luck would have it, he is taken away from this world his interest goes to other persons by survivorship. Now, Government by this particular clause wants to treat this process of survivorship as if the property is going to the heir. That is the process of succession. The process of survivorship is sought to be treated as a process of succession. If that is a fact, then, why should we exempt persons who have not attained the age of 18 from this process? It means that if a boy dies under 18 years, though he has acquired some interest in the property immediately after his birth, still, his share will be going to the other members of the coparcenary and they will not be under any obligation to pay estate duty. I feel that for persons governed by *Mitakshara*, there is already a sort of discrimination. I do not want to impute that Government, by introducing this particular measure, is responsible for this discrimination. It is very well for the Government to argue that the discrimination is inherent in the personal laws of the persons who are subject to the different sorts of personal law such as *Dayabhaga* and *Mitakshara*. Therefore the Government would say: "well, we are not responsible for the discrimination. The discrimination has been there for ages. You have accepted this. You have allowed yourselves to be governed by the discriminatory law and if now, when we propose to levy estate duty and take this personal law as the basis and foundation for our very structure, you cannot blame us." I may agree with Government as far as this part of the argument is concerned, but I would further urge on Government that it is not enough for them to point out the inherent discrimination. I do concede that our old *shastras* have all along been based on discrimination. Discrimination is the soul of our old *shastras*, but it is for the modern Government, it is for the democratic Government, to remove the discrimination, to tone down, to water down the discrimination, so that it disappears. By stages it shall disappear and we shall evolve some uniform system of law.

I may refer to the fact that on the 5th November last, when the Finance Minister made a speech, recommending this particular measure for our acceptance, he was pleased to emphasize the social aspect, or social justification, for this measure. What did he say on that occasion? He said: "Yes, this measure is not a fiscal measure, it has got some social justification." And what is that social justification? It is: there are economic inequalities; wealth is not evenly distributed and we want to use this machine, instrument, in our hands for bringing about some sort of equality by levelling down. That is the process which he wants to unleash by this particular measure.

I want to emphasize another part of the social aspect because this will get some money to the Government, he should not treat this particular measure as a mint which will make out some money for him. He must also utilize such a measure for bringing about social equality. I would rather say that if the personal laws were there, which would bring about a sort of inequality as far as the States and the different parties are concerned, it is the duty, the foremost duty of a modern Government, a Government which is heading towards socialism and economic equality to emphasize this.

An Hon. Member: It is doubtful.

Shri S. S. More: At least, the Government is pretending to go towards socialism. So, my submission is that it is the first and foremost duty—I would say rather it is the sacred duty—of the Finance Minister to use this measure for the purpose of bringing about social equality for the purpose of ironing out the angularities of the personal laws. It is quite possible that if every family is treated—even though the family is subject to *Dayabhaga* law—as subject to the *Mitakshara* system, the income of Government may go down, because under the *Dayabhaga* system —I do not want to repeat the illustrations which have been given by Mr. Sarmah and Mr. Chatterjee—if the father exclusively owns the property, immediately after his death the whole corpus will be subject to the levy of the duty, while in the case of the *Mitakshara* family, even when the father dies, his share which is supposed to be the property passing on his death will alone be subject to the levy. But it is absolutely essential that we should not take into consideration the monetary aspect—namely, what will be the yield of this particular levy. On the contrary, we must try to work out in spirit the guarantees, the fundamental guarantees, which have been given in our Constitution and try to bring about a sort of equality, try to apply the law without any sort of discrimination. If there be original, inherent discrimination, Government should try to remove that discrimination or distinction as far as it is possible for them to do so

I am not trying to enter into a controversy whether *Dayabhaga* process is a more progressive process, or a more reactionary process or whether *Mitakshara* is more progressive or otherwise than the *Dayabhaga*. But I feel, under *Dayabhaga*, the father is given more absolute power. He is given a sort of dictatorial power. Under *Mitakshara*, even immediately after birth, every man is given a right, a sort of equal right with the father, and therefore, the power and the authority of the father is curbed down. To that extent, I believe that *Mitakshara* has a more democratic basis than the *Dayabhaga* system of inheritance. I quite concede that this is a point on which there is some room for differences. I know, in some other aspects, *Dayabhaga* is more progressive, but as far as succession is concerned—I think my friends will allow me to have that view—under *Mitakshara* the father is brought under the

[Shri S. S. More]

other coparcenary members. He cannot alienate his property. He is subject to so many restrictions which might have been designed for the purpose of preserving the joint family. But whatever the reasons, whatever the purpose, *Mitakshara* father is subject to so many controls. But under the *Dayabhaga* system, a father is not amenable to any controls. He becomes as autocratic as the Congress Government with a big majority on their side. It can do anything with the life of the people. That sort of licence, freedom, a father is not given, under the *Mitakshara* system. I therefore propose that even a family under the *Dayabhaga* system should be treated like a *Mitakshara* family. I know it is a legal fiction that we want to create. Our law is full of so many fictions. Not only the ancient law, but modern law also has created so many fictions. I therefore plead that in the interests of equality, in order to work in the spirit of the guarantees given by our Constitution that all people shall be treated equally, it is absolutely necessary that *Dayabhaga* people should be given the same concessions, the some protections, and they should be treated evenly with the persons governed by the *Mitakshara* system.

Though it is very difficult, as a matter of fact, to abolish the personal laws, I desire that Government will see their way to do away with these personal laws based on inequality, and to introduce some sort of uniform system of inheritance not only for the Hindus but even for Muslims, even for Christians, even for persons belonging to any other community.

My submission is that while the *Dayabhaga* people are very much discontented with this measure, Government can use measures for the purpose of persuading rich people to accept some uniform system of law of inheritance. Money is the 'soft-belly part of the upper classes, and if we want to hit them on this particular vital part, we may say, before we direct the blow, that unless they consent to a uniform system of law, this sort of discrimination is bound to prevail to their disadvantage. Therefore, Government should use such a measure of taxation for exerting pressure in favour of a uniform system. Otherwise, the emergency of such a uniform system will be impossible. If some other progressive measures (*Interruptions.*). If discussions are going on, I cannot proceed.

Mr. Chairman: I am listening, It is also my duty to listen to other things.

Shri S. S. More: I am more conscious of your duties, Sir. But, at the same time, I want to say we are supposed to be addressing the Chair which must listen to what the Members say.

Mr. Chairman: I am listening. I assure you.

Shri S. S. More: I am thankful for your assurance, Sir.

Mr. Chairman: All right. Please proceed. Let there be no discussion about this.

Shri S. S. More: Therefore, my suggestion is this. Let the Government think furiously and let them come forward with a Bill, so that the succession of all Indians—I do not want to say, Hindus or Muslims—succession of all Indians shall be governed by one code. It is high time to introduce financial measures for the purpose of making that acceptable to all persons concerned.

With these words, I suggest that even *Dayabhaga* families, for the purpose of this imposition, should be treated as families governed by the *Mitakshara* law.

Shri V. G. Deshpande (Guna): Why not for Christians?

Shri S. S. More: The doughty champion of Hinduism is asking me, why not for Christians. I am prepared to go only one step.

श्री फ़्रैंक एन्थनी (नाम निर्देशित—अखिल-भारतीय) : दायभाग पर क्यों इतनी दया है ?

Shri S. S. More: He has the courage.

Shri Frank Anthony: I have got it.

Shri S. S. More: One step for me is quite good enough for the present. If we succeed in bringing about a sort of equality among the different sections of the Hindus, it will be a good augury for a further step when the time is ripe for that. With these words, I commend my amendments for the acceptance of the House.

Some Hon. Members: The question may now be put.

Mr. Chairman: Mr. Barman.

Shri U. M. Trivedi: What about our amendments?

Shri Tek Chand: You promised to permit me to move......

Mr. Chairman: I have not closed the discussion. He has also an amendment. I have called him.

Shri T. N. Singh: It is all about *Dayabhaga*. *Mitakshara* is going unheard.

Shri Barman (North Bengal—Reserved—Sch. Castes): I shall first of all briefly indicate my mind while I read my amendment, that is:

In page 4, line 34, *add* at the end:

> "as if the deceased had exercised his right of separation just before his death."

Shri Somana has already said that though the hon. Finance Minister has tabled another amendment, that is new clause 37-A, that is only a procedural matter, that is, the process by which the valuation of that property will be made. But, the main clause is clause 7, which is included under the heading "Property which is deemed to pass". There are several kinds of property that are mentioned in this clause and subsequent clauses in which case property shall be deemed to pass. This clause 7 particularly relates to coparcenary property in a joint *Mitakshara* family. I am of the same opinion as Mr. Somana. If we leave this clause as it is, it may be argued that the joint person of a coparcener had no definite interest in the property. Under the coparcenary law, every coparcener has a right to every particle of the property, but has no definite share in it unless and until he declares his intention to separate and partition. If we leave this main clause as it is, it may be said that under this clause, no quantum of property has passed with the death of the deceased. I think that it should be made clear. In addition to the new clause that has been tabled by the hon. Finance Minister for the purpose of calculation of the valuation of the property, the clause itself should be made clear in the first part by the addition of the words that I have proposed. The hon. Finance Minister may kindly consider that point of view.

As regards the main question that has been raised and discussed on the floor of the House, I have to submit one or two things. I shall not take up much of the time of the House. As I find from the discussions, even the Members governed by the *Mitakshara* law recognise that discrimination is being made against the *Dayabhaga* or the non-coparcenary school of law, if the Bill as it is be accepted. They are also sympathetic towards the non-coparcenary property owners. But, the main difficulty, as has been indicated also by others is that it is very difficult to make the law uniform so far as this taxation is concerned. I also recognise the difficulty in accepting *Mitakshara* law as the only rule of succession in the case of death duties: that is, the *Dayabhaga* father has the sole right to the property and the sons have got none. Suppose applying the *Mitakshara* law, the son succeeds to the estate and it is dutiable, he has no right under the Hindu law and it will be quite impossible for the executive or the Controllers to realise the duty. Therein lies the difficulty. I think that it is perhaps not possible, with

[Shri Barman]

all the best of intentions, to make the law similar.

I propose to lay before this House for consideration another proposal, that is, a counter proposal. That is, for the purpose of realisation of the estate duty, the *Dayabhaga* law may be uniformly applied. There is no difficulty standing in the way. Because, even in a coparcenary family, every coparcener has an interest in the property, the property is going to be taxed and no coparcener can say that he shall not allow his share to be taxed, because he has no definite share in the property and all the coparceners have full right to all the properties. When that property is taxed, there will be no difficulty in law in realising the tax if we make a provision in the way I have suggested. I have also tabled an amendment to clause 34 for consideration. There will be enough time to consider that. If this could be done, there should be no idea of discrimination, injustice, justice, etc. That is not good for this body politic. Political unity can be maintained by various means, with the help of the military or the police or some other force. But there is another unity which is at the root of nationalism and that is the psychological unity. No person in this land should think that he has been discriminated against in the matter of taxation or in any other way. Whatever attempt we might make, to equalise, this distinction, it will not be possible unless and until we can adopt one system of law. We can raise this exemption limit to a certain higher figure or we can make it a little lower or reduce it here and there; but in any case the discrimination will remain. Whether it would be proper for us under the Constitution to make any distinction in the matter of taxation between man and man is a matter which is more serious. I am not at present competent to speak about it. There is no doubt that there will be discrimination which will cause in many cases hardship to the *Dayabhaga* school, or the non-coparcenary school. If the submission that I have just now made be accepted by the House, whatever the difficulties may be, our ingenuity or brains can find a solution and there will be an end of all this trouble.

So, I submit to the hon. Finance Minister and to our friends in this House to consider that though we cannot accept the *Mitakshara* law to be the uniform system so far as this levy of duty is concerned, but, to my mind, if we try and if we agree, we can make the *Dayabhaga* applicable to one and all, so far as this levy of estate duty is concerned. The matter may be considered.

Some Hon. Members *rose*—

Shri P. S. Naskar (Diamond Harbour—Reserved—Sch. Castes): Sir, I beg to move that the question be now put.

Mr. Chairman: They want to put up another view.

Shri Tek Chand: There are two amendments in my name.

My submission is, that the proposition, examined in its correct perspective, does not give rise to a conflict between one system and the other. Therefore, from the point of view of nomenclature, it will be erroneous to draw a distinction between the *Mitakshara* system and the *Dayabhaga* system.

Speaking in the interests of precision, there are two systems that have been evolved as a result of this Bill—those persons governed by the *Mitakshara* system and being members of a coparcenary with the rule of survivorship or *jus accrescendi,* and the rest. There are no doubt inequities to the "rest". The brunt of the burden which is to be borne by the "rest" is much heavier than in the case of those who happen to be members of a coparcenary, and those inequities deserve to be levelled. Very often, for the very purpose of equalising discrimination becomes necessary. Because a procedure is discriminatory, it does not mean that it is an inequity. Discriminations become necessary, become imperative, for the purposes of equity or equalisation. Therefore, so far as the "rest" are concerned, they undergo a lot of inequities, and either in the matter of rates or in the matter of raising the lowest level contemplated under clause 34, certain relief is absolutely necessary for the "rest".

But, let it not be thought that the members of the coparcenary have all the cream. That is absolutely erroneous. In the case of a family, a coparcenary, consisting of father and, let us say, three sons—four all told—the death of every member calls upon a cut. With every death, there is a liability to estate duty. But, in the case of the "rest", whether they happen to be governed by the *Dayabhaga* system, or the Muslim system, or any other system, it must be the death of the owner alone; death of the children does not count, does not subject the property to any cut. Therefore, it is not that all the cream and all the strawberries are with the coparcenary system. But, these two institutions are not competing with each other. Wherever you find inequities, those inequities deserve to be eliminated.

Then there is another inequity to which I beg your leave to draw the attention of the House. That is the question of age. In two places the age is mentioned as 18 in clause 7. That is, I submit, a peculiar hardship for a member of a Hindu coparcenary unknown to any other system of law. Up to the age of 18, a member of a Hindu coparcenary has not got the *jus disponendi*. He has no right to dispose of the property. He is nobody. No doubt he has got a share, but a share which he cannot enjoy, which he cannot utilize, which he cannot dispose of. After the age of 18 he acquires a relative *jus disponendi* in so far as he can seek separation, but if he dies at the age of 18, his entire property, his entire share, receives the cut, is subject to the estate duty, although during his lifetime he never had an opportunity to use his property, enjoy it, or exercise any other dominion over it. Therefore, it is but just to him that the age be raised from 18 to 21, so that at least this person may be able to exercise some dominion over his property. Up to the age of 18 he cannot use it, he cannot enjoy it. Therefore, it remains inviolate. If he dies at the age of 18, it goes over and is subject to the death duty. So, at least give him three years within which he may be able to exercise his rights of ownership and enjoy the estate which is going to be subjected to death duty.

There is one more inequity of a much graver type, of a much grosser type, to which I shall invite the attention of the House. I believe it was in 1860 that this country saw the incidence of income-tax and since 1860, for nearly a century, the undivided Hindu family, or the coparcenary of *Mitakshara*, has been treated as one single individual for purposes of income-tax. The result of this has been that there may be ten members of a Hindu undivided family who may be contributing their mite in order to make an income, let us say, of rupees four lakhs, but that income of a Hindu undivided family is going to be treated as the income of one individual, and therefore, the incidence of taxation is going to be much heavier than in a similar case of a divided family or a separated family, be they Hindu, *Dayabhaga* people, or Christians or Muslims or any other. The result, therefore, is that the Hindu undivided family, ever since income-tax came into being, had to pay millions and billions whereas the others have been going virtually scot-free. This is an invidious distinction that has been borne by the Hindu undivided family for decades and decades, and their lot deserves alleviation.

Shri M. Khuda Buksh (Murshidabad): I did not think it was really necessary for me to speak on this very intricate and almost specialistic Bill. There are lawyers in this

[Shri M. Khuda Buksh]

House who are certainly better qualified than I to take part in this debate. But I have to address this House because I felt and I still feel that the peculiar position of the Muslims *vis-a-vis* the Estate Duty Bill has not been adequately represented before this House.

All the hon. Members who have taken part, especially on this clause of the Bill, have tried to help the Finance Ministry to devise some means whereby the angularities between the *Mitakshara* and the *Dayabhaga* law would be smoothened and ironed out. Those who have felt, and rightly too, that there should be uniformity in the incidence of taxation, have tried some way or other to be devised as to how the Ministry could proceed in the matter of collection of taxes. The community that I come from is different in this respect that even though, in essentials, we are governed by what would be called the *Dayabhaga*—that is, as long as the father is living, he is the sole owner of the property; the devolution of property does not take place until his death—but there is this essential difference that after the devolution of property has taken place, it not only goes to the sons, but also to the daughters.

Hon. Members have said that personal laws have been ignored before, and that they have not been allowed to come in the way of progressive social legislation being passed by different Legislatures. I think they were making an essential mistake in drawing this simile in connection with this legislation, because when those legislations were made, they did not differentiate between community and community and between class of people and class of people. But they introduced uniformity. Dr. Pande had cited an example to this House and said that when bigamy was prevented by law, they had to ignore the personal laws of certain sections of the people. But after the introduction of law, there was uniformity, and the law was uniform in its application to all. But even if these angularities were removed, this piece of legislation would still be different in its application to different classes of people. I appreciate that there are all kinds of difficulties, legal and other, perhaps more other than legal, as far as I have been able to study the mind and sense of this House.

The Constitution has provided and has, as a matter of fact, enjoined upon this Parliament that legislation should be brought to bring about uniformity in the personal laws of all Indians. Until that is done, this would be a dangerous measure, because, however clever and intelligent our Finance Minister may be, and however much he may try to bring about uniformity in the incidence of taxation, I am certain he shall fail. I would therefore suggest that this Bill should be introduced after this legislation to introduce uniformity in the personal laws of the people has been brought forward before this House. It may be rather late in the day to suggest that that should be done. If hon. Members are laughing at my stupidity, I would only say that that is a suggestion for what it is worth. Hon. Members can laugh it away, or laugh it down, but this is the suggestion, that I would like to make, and I am making it very seriously indeed.

If that cannot be done, I would make a suggestion. What is of paramount importance is that the incidence of this taxation should be uniform, and no one should be discriminated against because of his personal laws. A method, therefore, must be found out which would be effective in making the incidence of this taxation uniform on all persons, in its rigidity and its application. But I do not think that complete uniformity can be brought about and the Finance Minister should try to make it as nearly uniform as possible. I would therefore suggest that the hon. Minister should scale down the rates of taxation substantially in the case of those who are governed by *Dayabhaga* or something like *Dayabhaga*, like ourselves, the Christians and others, so that they may feel that injustice has not been done to them by the enactment of this legislation.

Mr. Chairman: I find several hon. Members rising to speak. The main points to which these amendments relate are the incidence of taxation on those governed by the *Mitakshara*, and that on those governed by something other than the *Mitakshara*. I think this matter has been sufficiently debated upon. I also do not find any new points being advanced. Considering the importance of the question, I have allowed most of those who have moved amendments, to speak. I think both points of view have been well represented. So, at any rate, if there are any hon. Members who want to speak, I would suggest that unless they have got something to add, they need not try to go over the same ground and take an opportunity for that.

Shri U. M. Trivedi: I have got an amendment. I will not take more than five minutes.

Mr. Chairman: I hope the hon. Member will not repeat the arguments.

Shri V. P. Nayar (Chirayinkil): I would also like to speak on the *Marumakkattayam* law.

Shri U. M. Trivedi: I will not repeat the arguments.

In a sense, I support the amendment moved by my hon. friend Mr. More. But this whole controversy would come to an end, if we decide once and for all, that the whole of India, irrespective of religion, will be governed by the *Mitakshara* law, not only for the purposes of this Estate Duty Bill, but also for the income-tax law.

Mr. Chairman: The income-tax legislation is not before us now.

Shri U. M. Trivedi: This is a way of argument only.

Kaka Saheb Gadgil has been saying, both when he opened his remarks on this Estate Duty Bill on the floor of this House, and also outside, that he wants to bring this Bill for this very specific purpose that just as the son of a *vakil* cannot become a *vakil*, just as the son of a doctor cannot become a doctor, so also the son of a rich man should not become a rich man. His other patent argument has been that once a man has already enjoyed his property, why should his son try to enjoy it. That is good so far as it goes. But here there is a discrimination taking place in the case of a *Mitakshara* young man, which is so patently glaring and though we have been repeating it very often, still this fact has not been taken notice of by Government.

Every one is allowed to enjoy his property, barring a Hindu young man of 18. What is the wrong he has done? Why is there this discrimination against him? Why should there not be equality of law for him, and equality of protection? All of you want to enjoy the property and then dispose of it. But when the question of a Hindu young man comes, you say that unless he becomes 18 years of age, we are not going to extend to him this right of disposition or enjoyment of property in any manner he likes. Every human being, whosoever it may be, and in whatever manner he may hold the property, will in the whole of India have a right to enjoy and dispose of property, in any manner he likes, whether by way of gift, transference etc. If you read clause 9, you will find:

> "Property taken under a disposition made by the deceased purporting to operate as an immediate gift *inter vivos* whether by way of transfer, delivery, declaration of trust, settlement upon persons in succession, or otherwise, which shall not have been *bona fide* made two years or more before the death of the deceased shall be deemed to pass on the death."

[Shri U. M. Trivedi]

In other words, you want to give this right to all and sundry. Practically no Christian at the age of 18 will inherit anything. No Mohammedan at the age of 18 will inherit anything (*Interruptions*). No person under the *Dayabhaga*, below the age of 18 will inherit anything. It is only the Hindu governed by the *Mitakshara* law who will inherit.

An Hon. Member: Everybody will inherit.

Shri U. M. Trivedi: I do not know whether everybody will inherit or not.

In the case of a Hindu, he becomes *sui juris* at the age of 18, and from the very moment he becomes *sui juris*, you want to deprive him of his right to handle any property.

Shri S. S. More: What about others?

Shri U. M. Trivedi: I was talking about the *Mitakshara*. No one will grumble about it, if you apply this *Mitakshara* law to one and all. If you do that, lots of difficulties will be solved.

My amendment seeks to insert 21 in place of the age of 18. Mr. Tek Chand had advanced this argument, and said that you are not allowing a person to enjoy his property,—and I think that that was a very cogent argument,—at the age of 18. If he has not enjoyed his property, then why tax him? Do not tax a man who has not enjoyed his property. At the age of 18, he has not enjoyed his property, and he is not allowed to enjoy his property, and if so, why tax him? Allow him first to enjoy his property, and then you tax him. (*Interruptions*).

Shri R. K. Chaudhury (Gauhati): On a point of order, Sir. My hon. friend is trying to mislead the House by his statement that a child who is under 18 years of age will not enjoy the property. My point is that he will enjoy the property, he will be living there, and he will be having all the advantages of that property. What does the hon. Member then mean by his statement? I do not understand. (*Interruptions*).

Shri Tek Chand: On a matter of personal explanation, Sir.

Mr. Chairman: We have already heard all these points of view.

Shri Tek Chand: As you please.

Shri U. M. Trivedi: I do not know what was the hon. Member's point. I have not understood it.

In the eye of law, unless a man becomes major, he has absolutely no right to dispose of property or to enjoy property. I am just giving an illustration. In the case of a Mohammedan young man of 18, in the case of a Christian young man of 18, he holds no property. He eats at his father's house and lives on his father. He is maintained by his father.

5 P.M.

Shri S. S. More: Does my hon. friend contend that the right to dispose of or competence to dispose of property is equal to enjoying the property?

Shri U. M. Trivedi: Exactly. That is what I mean. (*Interruptions*) (*An Hon. Member*: Selling is enjoying?) Yes. Selling is enjoying; making a gift is enjoying; squandering is enjoying; giving charity is enjoying and building a house for Mr. More is also enjoying. If it is done by him, it is enjoyment.. So my suggestion is this; that if we have to wipe out this discrimination, it would be better in our interest that we adopt that the *Mitakshara* law should apply. If we do not do this, then what I urge is this: take out this discrimination which is very patent and glaring and say 'at the age of 21' instead of 'at the age of 18'.

Shri P. S. Naskar: I beg to move:

"That the question be now put."

Mr. Chairman: I think there has been sufficient discussion on this. So the question may be put.

Shri N. C. Chatterjee: Could we not hear the hon. Minister?

Mr. Chairman: Yes, yes.

The question *is*:

"That the question be now put."

The motion was adopted.

Shri C. D. Deshmukh: The variety of views that we have heard on this point shows how complex and intricate the matter is. I am quite certain that every hon. Member who has spoken either on the one side or the other has been inspired by the highest motive. One hon. Member, however, has thought fit to say that because this Bill has been framed by people who are governed by the *Mitakshara* law, therefore, it seems to lean in favour of the *Mitakshara* law . (*Interruptions*).

An Hon. Member: Mr. More.

Shri S. S. More: Are you referring to me?

Shri C. D. Deshmukh: Statistically......

Shri S. S. More: I was under the impression you were referring to me.

Shri C. D. Deshmukh: Statistically, the Cabinet is *Mitakshara,* as far as my information goes, up to 33:333 per cent. and so far as the Central Board of Revenue and the Finance Ministry are concerned, the proportion is 50:50. On the whole, therefore, I think we can claim impartiality in this matter. The Finance Minister himself is not governed by the *Mitakshara* law in the sense that he does not belong to an undivided Hindu family. (*Interruptions*).

Now, as I was saying, this problem is a very delicate and difficult problem. There is no question of treating any system of law as sacrosanct and the analogy of foreign countries—in the U.K., America, Australia and Panama and so on they do not bother about the Hindu undivided family......

Shri C. D. Pande: For the personal law.

Shri C. D. Deshmukh:......does not carry us far. May be that there is no Hindu undivided family or it may be that ancestral property has not yet devolved sufficiently in these foreign countries. Any way in a country where there are both systems of law predominant, we can hardly afford to ignore the incidence of any measure of taxation on the two systems. At least we have to investigate that matter. I gave statistics the other day to show that as against five lakh and odd assessees, the number of Hindu undivided families assessed to income-tax was 65,000. That is a very small percentage. Therefore, if one were to think in terms of a common law, one should think of it in terms which would be appropriate to the majority. That consideration rules out many of these amendments, the purport of which is that every one should be regarded—every family should be regarded—as a Hindu undivided family. I should say that there might be something more to be said for treating every Hindu undivided family as a *Dayabhaga* family (*Interruption*) regarding the manager of the family, so to speak, as the father every time that a death takes place. Now it has been suggested that if that rule were to be applied, there might perhaps be some erasing of this inequality. I find—I rather suspect—that it might be of some disadvantage to the Hindu undivided family. Therefore, whichever way one were to do it, I think a certain amount of inequality in the incidence of taxation arising out of personal laws of succession and inheritance will be unavoidable. And that was why when I spoke last time, I said that really this was not a question of discrimination. Neither is it really a distinction between different types of Hindus, that is to say, those who are governed by the *Mitakshara* law and those who are governed by the *Dayabhaga* law. The distinction is not as between Hindus as such, but between properties of Hindus governed by the *Mitakshara* law and those of all other communities not governed by this law And among the latter are, as has been recognised, Muslims, Christians, Par-

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sees etc. Therefore, it is not really a question of a conflict between or a distinction between the two systems of Hindu law.

This difficulty was felt even from the beginning in 1946, and indeed, the Select Committee of 1946, despaired of finding a solution, suggested that the Estate Duty Bill might await the passage of the Hindu Code—which was a sort of escapist philosophy. And it was from that philosophy that I had to rescue this Bill. They did try in their later and final report to steer clear of this difficulty by suggesting the valuation of the coparcenary interest of the deceased person, as we are going to do.

Now, although the legal issues involved are difficult, one has to remember that the so-called benefit to a member of a Hindu undivided family applies only to so much of his property which consists of a coparcenary interest in the Hindu undivided family; that is to say, he will more likely than not have some self-acquired property also, and to that extent he is, of course, treated no different from the others.

Then as I have already explained in my last speech on this subject, persons with self-acquired property or with property over which they have complete powers of disposition are the norm and the Hindu undivided family is the exception. This is the point that I elaborated right in the beginning, a point which influences me in not accepting most of these amendments on this point. I also oppose the other amendments, incidentally, to make my position clear, because I might forget to say so.

The solution which has been proposed by Shri Chatterjee steers clear of the imperfection of the amendment No. 424, but it does ignore the other classes which are more or less in the same position—Muslims, Christians, Parsees etc. Then indeed a question of discrimination might arise. Therefore, as I said, it will be better to regard this as not discrimination but as an attempt to see, as far as one can calculate—and there are many complexities—that by and large all the communities with different laws of succession and inheritance are treated equally and equitably.

There is one unique feature of the Hindu coparcenary. All the members of the coparcenary have a legal right to the enjoyment of that property but except in the case of partition no member has the right to alienate the property and that involves various consequences, although I am not prepared to recognise that merely because a person who attains the age of 18 has not got the right to dispose of and therefore cannot take advantage of certain clauses like clause 9, that age limit should be raised to 21. Therefore the danger is that if you pick up one particular feature and concentrate attention on it alone, one can persuade oneself that there is gross injustice. But, what one has to see is that by and large all sections are treated equitably. In the case of the Hindu undivided family, I think we have done enough in excluding the interest of a minor except in that case which is contained in my amendment and in the clause itself. Another advantage to the *Dayabhaga* father is that he has not the legal obligation to maintain his children and grand-children out of inherited property and he has full power of alienation. To assume for the purposes of this Bill that the father has only partial interest in that property when he has full control over it, to assume that the son has partial interest in it while he has none, would be really making a complete travesty of the facts and the powers of disposal and so on as they exist. (*Interruption*). Such a proposition would be unfair to the *Dayabhaga* father who can will away all his property to one son and that son still may be assumed to have some kind of property. I am only giving this kind of illustration and stating difficulties in order to come to my conclusion that none of the amendments that we have before us meet the case. Therefore, I am quite convinced that no solution can be found by equating *Dayabhaga* to *Mitakshara*. In this, if at all there was to be an equation, as I said, it should be that every *Mitakshara* should be treated as a *Dayabhaga*, because by doing the other way, one would be sacrificing a very great deal of revenue.

Shri C. D. Pande: But, justice will be gained.

Shri C. D. Deshmukh: Now, I refer to this alternate possibility of treating this *Mitakshara* as *Dayabhaga*. That is to say, if I assume that the *karta* of the Hindu undivided family represents the property and that estate duty would be chargeable only on the death of the *karta*—we have not got any amendment to that effect and I am only giving this as an illustration of the case and hon. Members have been careful enough not to suggest this —it might be unfair then to the *Mitakshara* Hindu undivided family when estate duty becomes due on the death of the next *karta* for it will have to be levied on the whole undivided property while in the case of *Dayabhaga*, the property would have been divided amongst the several sons on the death of the father. Now, it is true that if we regard the *Dayabhaga* father's property as the property of the family, then under the scheme of the Bill that family considered as a unit would pay a higher quantum of tax in the initial stages. All the illustrations that have been given point to that conclusion.

There are certain other assumptions. If the estate is very large--although we are not particularly concerned with large estates—and if one assumes that the Hindu undivided family remains as such for a long period, then it might very well be that under our scheme they will have paid more in the way of tax than a *Dayabhaga* family which will go on dividing unavoidably. Therefore, I reject this particular method of trying to secure by and large fair justice to all the communities.

There were two other possible ways of restoring the balance that were indicated. One suggestion was that the exemption limit should be raised in the case of those who are not governed by the Hindu undivided family rules of succession or that some alteration in the initial stages of the slabs in connection with the rates might be made. Now, these are points that will arise to be considered when we come to the relevant clause—which is 34—and we shall have to keep this discussion at the back of our mind. It is to say, I do not wish to declare here and now that I am satisfied that the present scheme ensures complete justice for every one concerned. There is room for difference of opinion and I am prepared to give my mind to the exemption limits and or the rates, as the case may be, when we come to it. I cannot say anything more because we would have to consider it then on the relevant facts of the case.

There are various other small points I think I have already referred to Mr. Barman's amendment. Then there was some statement that the language of sub-clause, towards the end, was not very comprehensive, that I might consider various other types of families and all that. But, I would like to point out that in particular it does not exclude any other special rules of succession that there might be. I think there is an amendment or a statement that there is no reason why the minor should be excluded. Well, I have already dealt with that but it is just one way of trying to keep the balance between the two sections.

Therefore, with these observations I declare my inability to accept any of these amendments except, of course, my own, which I commend to the House.

Mr. Chairman: Now, I will first put the Government amendment to vote.

The question is:

In page 4, *for* lines 35 to 40, *substitute:*

"(2) If a member of a Hindu coparcenary governed by the *Mitakshara* school of law dies, then the

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provisions of sub-section (1) shall apply with respect to the interest of the deceased in the coparcenary property only—

(a) if the deceased had completed his eighteenth year at the time of his death, or

(b) where he had not completed his eighteenth year at the time of his death if his father or other male ascendant in the male line was not a coparcener of the same family at the time of his death."

The motion was adopted.

Mr. Chairman: Then, I will put the amendment of Mr. Somana.

Shri N. Somana: I beg leave to withdraw my amendment, Sir.

Mr. Chairman: Has the hon. Member the leave of the House to withdraw his amendment?

Several Hon. Members: Yes.

Shri K. K. Basu (Diamond Harbour): He must have withdrawn it before, Sir.

Shri C. D. Pande: In view of the assurance given by the Finance Minister he is satisfied.

Mr. Chairman: As there is opposition, I will put his amendment to vote.

The question is:

In page 4, line 34, *add* at the end:

"or any other customary law or local enactment by which partition or alienation of property is prohibited."

The motion was negatived.

Mr. Chairman: I will now put Shri Barman's amendment to vote.

Shri Barman: Sir, I want to withdraw it.

Mr. Chairman: I do not know whether the hon. Member will have the leave to withdraw. I will straightway put it to vote.

The question is:

In page 4, line 34, *add* at the end:

"as if the deceased had exercised his right of separation just before his death".

The motion was negatived.

Mr. Chairman: I will now put Mr. More's amendments.

The question is:

In page 4, *omit* lines 35 to 40.

The motion was negatived.

Mr. Chairman: The question is:

In page 4,

(i) *for* lines 35 to 40, *substitute*:

"*Explanation* 1.—For the purpose of this section every Hindu shall be presumed to be governed by the *Mitakshara* law and a father and his sons governed by *Dayabhaga* law shall be deemed to be constituting a coparcenary as under *Mitakshara* law"; and

(ii) line 41,

after "Explanation" *insert* "2".

The motion was negatived.

Mr. Chairman: The question is:

In page 4, line 38,

(i) *for* "eighteenth" *substitute* "twentyfirst"; and

(ii) *after* "eighteenth year" *insert* "and had expressed an intention to separate".

The motion was negatived.

Mr. Chairman: Amendments Nos. 211 and 401 are almost the same. One is by hon. Member Shri Tek Chand and the other by Shri Hoti Lal Agarawal. I will put them to vote together.

The question is:

In page 4, line 38, *for* "eighteenth" *substitute* "twenty-first".

The motion was negatived.

Mr. Chairman: The question is:

In page 4, *omit* lines 41 to 44.

The motion was negatived.

Mr. Chairman: The question is:

In page 4, line 50, *for* "eighteenth" *substitute* "twenty-first".

The motion was negatived.

Mr. Chairman: There is an amendment No. 424 to which there is an amendment by the hon. Shri N. C. Chatterjee, No. 616. I shall first put the amendment to the amendment to the vote of the House.

The question is:

In the amendment proposed by Shri Debeswar Sarmah and others, *for*:

> "(2) For the purpose of this Act all properties shall be deemed to be governed by Mitakshara system of Hindu law of succession".

Substitute:

> "(2) For the purpose of this Act a father and his sons governed by the Dayabhaga School of Hindu law shall be deemed to be members of a coparcenary under the Mitakshara law".

The motion was negatived.

Mr. Chairman: I shall now put Shri Debeswar Sarmah's amendment to vote.

The question is:

In page 4,

(i) *after* line 16, *insert*:

> "(2) For the purpose of his Act all properties shall be deemed to be governed by Mitakshara system of Hindu law of succession."; and

(ii) line 17, *for* "(2)" *substitute* "(3)".

Those who are in favour of the amendment will say 'Aye'.

Some Hon. Members: Aye.

Mr. Chairman: Those who are against the amendment will say 'No'.

Some Hon. Members: No.

Mr. Chairman: The 'Noes' have it; the amendment is lost.

Shri Sarmah (Golaghat-Jorhat): The 'Ayes' have it; it involves a matter of principle. (*Interruption*)

Mr. Chairman: Those in favour of the amendment will rise in their seats. Does the hon. Member want a division.

Shri Sarmah: No, Sir. I accept the Chair's ruling. The Chair has already said that the 'Noes' have it.

Shri S. S. More: May I make a submission? When it was put to vote and you said the 'Noes' have it, Mr. Sarmah challenged it, said the 'Ayes' have it and asked for a division. He cannot go back on it now.

Shri Sarmah: Of course, when the Chair said that the 'Noes' have it, I said the 'Ayes' have it; that does not mean I asked for a division. I have accepted the ruling of the Chair.

Mr. Chairman: It is now clear that Mr. Sarmah did not ask for a division; he has made it clear. There is no other point now.

Shri S. S. More: He did ask for a division. He is an ex-Speaker.

Mr. Chairman: Order, order. There need not be so much of excitement. So far as I am able to understand, after I said that the 'Noes' have it and that the amendment was lost, no doubt the hon. Member Mr. Sarmah was saying something to some Members. (*Interruption.*) Order, order. I do not want to be interrupted like this. Every hon. Member will have an opportunity to say what he wants. What I have

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been able to observe from this place is that at that stage the hon. Member Mr. Sarmah was saying something. I did not know whether he had made up his mind. I asked him whether any division was necessary. When the hon. Member has made it clear that he does not want a division the matter should be allowed to rest there.

Another point is at that stage no other Member asked for a division. I do not know whether it will be proper to allow a division to take place now.

Shri S. S. More: As a matter of fact Mr. Sarmah said the 'Ayes' have it. You then turned to us and asked us to stand in our seats for counting. It means that you did take notice of what he said.

Mr. Chairman: I will better again put the question to the House.

Shri Sarmah: May I make the position clear, Sir. When a question is put, the sense of the House is taken by the Chair and when the Chair gives a decision that should be taken as the final word on the subject.

Mr. Chairman: We need not spend any more time on this matter. As there was some confusion, I will again put the question to the House. Those who are in favour of Mr. Sarmah's amendment will say 'Aye'.

Some Hon. Members: Aye.

Mr. Chairman: Those against will say 'No'.

Some Hon. Members: No.

Mr. Chairman: The 'Noes' have it.

Some Hon. Members: 'Ayes' have it.

Mr. Chairman: Those in favour of the amendment will stand in their seats.

Shri S. S. More: We want a division; we want the names to go in the records.

Mr. Chairman: In the light of the discussion that has followed, the procedure which I am trying to follow is the correct one. It is not necessary to spend any more time of the House. There are many important points awaiting disposal.

Those in favour of the amendment will stand in their seats.

I find that there are 18 Members in favour of the amendment.

Those against the amendment will rise in their seats. They are so many. The amendment is lost.

Shri K. K. Basu: It is necessary that the names should be recorded.

Babu Ramnarayan Singh (Hazaribagh West): What is the number, Sir; what is the result of the division?

Mr. Chairman: Eighteen in favour and a far larger number against. So, the amendment is negatived.

The motion was negatived.

Mr. Chairman: The question is:

"That clause 7, as amended, stand part of the Bill."

The motion was adopted.

Clause 7, as amended, was added to the Bill.

Clause 8.— (*Gifts mortis causa*)

Shri Mulchand Dube (Farrukhabad Distt.—North): I beg to move:

In page 5, line 7, *after* "property taken as a gift" *insert* "in excess of rupees two thousand and five hundred."

Mr. Chairman: Amendment moved:

In page 5, line 7, *after* "property taken as a gift" *insert* "in excess of rupees two thousand and five hundred."

Shri Tek Chand: I beg to move:

In page 5, line 8, *add* at the end:

"except where the gift was made to a dependent, relative or servant of the deceased, and the value of the property so taken did not exceed rupees two thousand and five hundred."

Mr. Chairman: Amendment moved:

In page 5, line 8, *add* at the end:

"except where the gift was made to a dependent, relative or servant of the deceased, and the value of the property so taken did not exceed rupees two thousand and five hundred."

Shri Lokenath Mishra (Puri): I beg to move:

In page 5, *after* line 8, *insert*:

"Provided that in the case of gifts made at any time for purposes other than merely secular and as an act of piety and penance or for public charitable purposes such gifts shall at no time be deemed to pass on the donor's death."

Mr. Chairman: Amendment moved:

In page 5, *after* line 8, *insert*:

"Provided that in the case of gifts made at any time for purposes other than merely secular and as an act of piety and penance or for public charitable purposes such gifts shall at no time be deemed to pass on the donor's death."

Shri S. S. More: I beg to move:

In page 5,

(i) line 9, *after* "Explanation" *insert* "1".

(ii) *after* line 11, *insert*:

"*Explanation* 2.—Gifts made to or settlement affected upon persons in succession shall be deemed to be gift made in contemplation of death unless the successor has married outside his caste or community."

Mr. Chairman: Amendment moved:

In page 5,

(i) line 9, *after* "Explanation" *insert* "1".

(ii) *after* line 11, *insert*:

"*Explanation* 2.—Gifts made to or settlement affected upon persons in succession shall be deemed to be gift made in contemplation of death unless the successor has married outside his caste or community."

Shri Tek Chand: Clause 8 to which I have moved this amendment relates to gifts *mortis causa*. It reads:

"Property taken as a gift made in contemplation of death shall be deemed to pass on the donor's death".

And I wish to add after these words:

"except where the gift was made to a dependent, relative or servant of the deceased, and the value of the property so taken did not exceed rupees two thousand and five hundred".

What has impelled me to move this amendment is this. It is well known that persons about to breathe their last are very often served by relations, friends or servants. At that time it is their legitimate, and a natural, desire that those who have served them in their last hours, through illness, through disease, should be recipients of some small benefits. It is not at all uncommon when a dying man likes to leave some little gifts, some little tokens, maybe a watch, maybe something else, to the servants. Therefore, due to this feeling—a very natural feeling—with which a person is overcome during his last hours of existence, he likes to part with some worldly gifts to those through whose kindness he is being able (*An Hon. Member*: To die!) to be nursed. Therefore, if an ex-

[Shri Tek Chand]

emption is given in this case—and I plead not for a large sum but for a small sum not exceeding Rs. 2,500—the State should not grudge that small gift which is usually given at such an hour. I therefore request that gifts *mortis causa* to that small extent be exempted from the levy of the duty.

Shri Lokenath Mishra: I wish to say a few words on my amendment. First of all I would like to say that I do not understand the reasonableness of the proposition that is enunciated by this clause 8. This clause 8 says that "property taken as a gift made in contemplation of death shall be deemed to pass on the donor's death". The first thing that strikes me is this. This Bill assumes that any acquisition of private property is perfectly legal and valid. Therefore, any transfer by way of gift is equally valid. If that is the position accepted by this Bill and if that is the law of the land, I do not understand why there should be any exception made in the case of gifts made in contemplation of death. Anything done in contemplation of death is a guarantee against all *mala fides* that the donor may have in his mind. Instead, this Bill says that any gift made in contemplation of death, at whatever time it might have been made, will be deemed to pass on the donor's death.

Under the land if a gift is made lawfully, executed properly and possession is handed over, then the property involved passes then and there to the donee. Why should there be an exception in this case when a gift is made in contemplation of death?

Although I cannot doubt the sincerity of purpose and the necessity of having this clause when it has been drafted by abler hands, I have still a doubt in my mind as to the reasonableness of this proposition. I therefore say that whatever, might be the gifts made in contemplation of death for definite purposes, they should be exempted from this estate duty, at whatever time the gifts might have been made. And my amendment is this that property taken as a gift made in contemplation of death shall be deemed to pass on the donor's death, provided that in the case of gifts made at any time for purposes other than merely secular and as an act of piety and penance or for public charitable purpose—such gifts shall at no time be deemed to pass on the donor's death.

This Bill refers mainly to rich persons. To my mind, rich persons could not have become rich unless they made money by unfair means. (*An Hon. Member*: No, no). Therefore when death comes over them they must have a chance to look back on their lives and see what they have done. And with death as witness to all their life, if they feel repentant and a sense of penance prevails they must have the right and the opportunity to make amends by way of gift, because nothing else is there left to them other than making a gift for a purpose which is entirely pious and entirely a measure of penance. Now, if the State stands between death and the dying man and says, "If you are going to make a gift now in contemplation of death, you will fulfil your duty to the State", my only answer is, that is not the time when the State should intervene. Because, it is only under the laws of the State and perfectly lawfully that he had acquired the property. And if in the acquisition of that property he had committed sins, they too were lawful sins and therefore not a crime. If the State wants to say that there will no longer be any private property, that there will be no right of transfer in any way—much less as a gift—I can understand that. But you say you have the right of private property, you have the right to transfer it, and yet when one makes a gift in contemplation of death—when death, the leveller comes slowly—then you say fulfil your duty to the State by paying a duty. It is really unfair. I say it is a legislated greed. The State must bear this idea in mind. The law of a country reflects the contemporary life of the people of that country, and that if you do not grant the exemption then that would simply mean that the State wants even to intervene between the citizen and death and does not know the 'Man'. I cannot really feel that a State, the Indian Nation, which has a high culture. behind it will stoop to such a thing.

I say so very seriously because death is a serious point. You must give everybody a chance (*Some Hon. Members*: To die?) to wash away his sins. Before he dies he must have at least the consolation that he has been relieved of the sins that he had committed in his life by making use of his wealth. So, for these reasons, only on humanitarian grounds, taking man as a whole, I must say that you charge the duty on any gift made. I have no objection; but when any gift is made in contemplation of death, with a purpose which is not merely secular and with a purpose to atone for his past deeds and when it is for a public charitable purpose, the State should not intervene and charge the estate duty.

Shri N. Somana: If the contemplation be itself dishonest!

Shri Lokenath Mishra: If the contemplation of death itself can be dishonest, God forgive the dying. But that you cannot expect in the case of any Indian on death bed. He cannot be so sinful as to do something sinful just before his death.

I cannot understand another thing. You say a gift made two years before death is quite good, a gift made before six months for public charitable purposes is good; then why not make a gift made within six months or even just before death as good as anything else? I do not understand the reasonableness of it. I am open to conviction. I want to know from the Finance Minister why he should not make an exception in such cases. I have no doubt in mind that the proposition, put before the House is perfectly sound and humane.

Shri S. S. More: May I support the idea of the provision for just one minute?

Mr. Chairman: You have tabled an amendment.

Shri S. S. More: I am not speaking; I want to support Mr. Mishra.

Mr. Chairman: You may speak later on. Mr. Mulchand Dube.

Shri Mulchand Dube: Gifts *mortis causa* are of two kinds—one conditional on the person making a gift dying and the other unconditional. The question is whether the gifts contemplated in the clause refer to conditional gifts or to unconditional gifts also. I am referring to the speech of the hon. Finance Minister which he made while moving the Bill. He said:

"Then, Sir, I come to the provisions relating to gifts. The clauses that deal with this matter are 8, 9 and 10. Gifts *mortis causa*, that is, property taken as a gift made in contemplation of death shall be deemed to pass on the donor's death, subject to exemptions given under clause 32, are brought within the charge of this clause as they are conditional and take effect only on death."

If in clause 8 only such gifts are going to be roped in as are conditional on the death of the person who made the gift, then the matter is entirely different.

I may not have much to say about it because they really would pass on death and, therefore, they would be in the nature of wills and not in the nature of gifts. But if the intention of clause 8 is to bring in also unconditional gifts, then my submission is that there does not seem to be any justification for such a thing. My hon. friend, who has spoken just before me has given very cogent rea-

[Shri Mulchand Dube]

sons why such gifts should not be made subject to the payment of an estate duty.

There are two ways of charging the duty—one in respect of property that passes on death, and the other in respect of property that is deemed to pass on death. Now properties that pass on death include properties which are in possession of the deceased and of which—his heirs enter into possession immediatly—those become subject to estate duty immediately on the deceased person dying. They are properties which are deemed to pass on death. They are those properties which were not in the immediate possession of the deceased person but to which he had a right. For instance, he may have inherited certain property of which he may not have been able to take possession. But then although he has not taken possession, his right may not have been barred and he may have full powers of disposition over it. Therefore, properties that are deemed to pass are only such properties in which the deceased has no present possession. Now the properties which are deemed to pass have been defined under the interpretation clause 3. There it is said that only those properties will be deemed to pass which the deceased was competent to dispose of. My submission is that in case of absolute gifts, whether at the time of death or before, in respect of property over which the deceased person had ceased to have any disposing power—it cannot be property that passes or which could be deemed to pass. Therefore, when we say in clause 8 that properties taken as gifts *mortis causa* will be deemed to pass, my submission is that in saying this we are going contrary to the interpretation clause which has been put in as clause 3 of the Bill. Therefore this is quite inconsistent.

The other argument is that at the time of death a person wants to make a gift. He may want to give away a small portion of his property for the salvation of his soul. There are vast numbers of persons who have that faith and I do not think the State is entitled to over-ride that faith or to say that nobody will be entitled to do that. An argument was put forward sometime ago in respect of this Bill that the provisions of this Bill are not calculated to interfere with the fundamental rights of a citizen. But to the extent that you impose a duty on such things, that is, when a man on death bed wants to give away some property for the salvation of his soul, and you make that property dutiable you certainly interfere with the fundamental rights of that person to that extent. For that reason, I think that a gift *mortis causa*, if it is intended to cover only conditional gifts, it is certainly all right but if it is intended to cover unconditional gifts also, my submission is that this would be going contrary to the programme of clause 3(1), the interpretation clause, and also contrary to the law.

Shri S. S. More: I have submitted one amendment. In this amendment I have proposed to lay down a proposition that all gifts made to persons in succession should be treated as gifts made in contemplation of death unless the successor has married outside his caste or community. I think the relevant points will be included in clause 9. Therefore, I will not say anything now.

पंडित सी० एन० मालवीय (रायसेन) : में सिर्फ यह कहता चाहता हूं कि इस के बारे में और भी दूसरे क्लाजं ज हैं, उन को भी हम को अपने दिमाग़ में रखना चाहिये। इस ऐक्ट को बनाने में जो स्कीम है, उस में जो गिफ्ट का मामला है, दान का मामला है, उस पर काफी बहस हो चुकी है। इसलिये में उन तमाम बातों को दोहराना नहीं चाहता। सिर्फ यह अर्ज करना चाहता हूं मिफ्ट के सिलसिले में आम तौर से यह राय है कि जो दान नेकनियती से दिया जाता है उस में तो

किसी को कोई ऐतराज नहीं होता । लेकिन अक्सर तजुर्बा यह भी हुआ है कि दान के नाम पर बहुत सी कई ऐसी चीजें रखी जाती हैं जिन से कि टैक्स बचाया जा सके । तो इसी चीज को ध्यान में रख कर यह पूरी स्कीम बनाई गई है और जो दान देना चाहता है उस के लिये यह रखा गया है कि वह दो वर्ष पहले दे सकता है ।

An. Hon. Member: How will he know when he will die?

पंडित सी० एन० मालवीय : जी हां, अब यह सुनिये कि जिस वक्त एक इन्सान मरने वाला होता है, और यह उस वक्त होता है जब कि इन्सान परेशान हो जाता है, वह जब बिस्तर पर पड़ा होता है और बीमार होता है, तो उस वक्त यह देखा गया है कि न सिर्फ़ उस में यह नेक भावना पैदा होती है कि वह दान दे, अगर ऐसी भावना है तो उसके रास्ते में कोई चीज नहीं आती है, लेकिन दूसरी चीज यह भी होती है कि जब इन्सान मरने वाला होता है, या उस को ध्यान होता है कि उसकी मौत आने वाली है तो उस के बहुत से दोस्त और रिश्तेदार ऐसे आगे पीछे हो जाते हैं कि या तो उस से दस्तखत करवा लेते हैं या इस तरह का दान ले लेते हैं जो कि वह नहीं भी देना चाहता है । इसलिये यह एक आम रूल है कि जिस वक्त कोई मरने वाला है या जिस वक्त उस की मौत आने वाली होती है तो वह दबाव में भी दान दे सकता है । इसलिये सिर्फ़ यही चीज नहीं है कि उस में सद्भावना ही होती है, बल्कि और दूसरे असरात भी उस पर पड़ते हैं । इसलिये यह नहीं है कि जो दान वह देता है वह केवल धार्मिक भावना पर ही देता है ।

यह जो कहा गया है कि इस का असर फंडामेंटल राइट पर पड़ता है तो मेरे ख्याल में फंडामेंटल राइट है, तो इस में कोई सवाल नहीं है । साथ ही साथ हम इस को रोकते भी नहीं हैं । फिर यह भी नहीं है कि इस के बारे में कोई आदमी साल या छः महीने के पहले ही महसूस करे, वह पहले भी महसूस कर सकता है । मैं तो यह भी नहीं मानता हूं कि जितने आदमी अमीर हुए हैं सब का पैसा पाप का ही कमाया हुआ है । अगर यह दलील मान भी ली जाय तो भी वह छः महीने या दो साल पहले भी इस को सोच सकता है । इसलिये फंडामेंटल राइट का सवाल ही पैदा नहीं होता । यह सवाल बिल्कुल नहीं है कि स्टेट कोई क्लेम कर रही है कि यह मौत के सिलसिले में अगर कोई आदमी दान करना चाहता है तो उस को वह रोकना चाहती है । यह इस तरह का कोई चीज नहीं है । मेरे ख्याल में इस क्लाज के ऊपर ज्यादा बहस की गुंजाइश भी नहीं । इसलिये आप ने जो इस तरह से तरमीम दी है उस का मैं विरोध करता हूं और जो असली क्लाज है उस का समर्थन करता हूं ।

बाबू रामनारायण सिंह : इस धारा का मैं विरोध करता हूं। इस में कहा गया है कि जो दान मरने के समय में होता है वह नाजायज दान है ।

श्री के० के० बसु : नाजायज नहीं, टैक्सेबुल है ।

बाबू रामनारायण सिंह : टैक्सेबुल है, इस के माने यही है कि वह नाजायज है । जायज होगा तो टैक्स नहीं लगेगा ।

सभापति महोदय, इस का समर्थन करने वालों में सब से जबरदस्त हमारे भाई गाडगिल हैं । उन का कहना है कि कोई भी कानून जो किसी देश में पास होता है वह कानून तो जनता की इच्छा का प्रतिबिम्ब है । यह उनका कहना है और बहुत सुन्दर कहना है । मैं तो समझता

बाबू रामनारायण सिंह]

हूं कि अगर इस कानून के सम्बन्ध में भारतीय जनता से पूछा जाय तो, शायद हमारे वित्त मंत्री को यहां तो वोट मिल जावेंगे, क्योंकि यहां तो हुक्म से वोट मिलना है, लेकिन अगर स्वतन्त्र जनता से वोट मांगा जाय तो शायद ३६ करोड़ म से ५ हजार भी वोट उनको मिल जायें तो बहुत समझिये ।

एक माननीय सदस्य : यह ग़लत है ।

बाबू रामनारायण सिंह : अब तो खास कर के यह धारा रख दी गई है कि मरने के समय में जो दान हुआ है, उस पर भी टैक्स लगेगा, या यह कि वह दान नाजायज समझा जायगा । सभापति महोदय, आप तो यहां का दस्तूर, नियम जानते होंगे । दान एक एसी चीज है जो कि परम्परा से चली आ रही है । मरने के समय तो दान जरूरी दान समझा जाता है, जैसे शायद बहुत से लोग जानते होंगे कि एक वैतरणी दान कहलाता है । उस को गो दान भी कहते हैं । इसी तरह और भी जितनी तरह के दान होते हैं, उन सब को हम लोग यहां बैठ कर अनुचित दान कह दें, यह तो योग्य बात नहीं है । इस वास्ते में इस धारा का विरोध करता हूं और मैं उम्मीद करता हूं कि लोग भी इस का विरोध करेंगे और इस तरह की बातों को नहीं होने देंगे ।

Shri C. D. Deshmukh: This is a provision which occurs in almost every Act on the levy of estate duty. In the U.K. Act, it is called *donatio mortis causa* and it is defined thus:

> "*Donatio mortis causa* is a gift made in contemplation of the death of the donor and would take effect only on that event, to be recoverable by the donor if that event does not occur, and to be void if the donee dies before it occurs."

That is how it is defined there. Before I develop that argument, I would like to quote also section 191 of the Indian Succession Act, because we say here that the expression 'gift made in contemplation of the death' has the same meaning as in section 191 of the Indian Succession Act, 1925. Section 191 says:

> "(1) A man may dispose, by gift made in contemplation of death, of any movable property which he could dispose of by will.
>
> (2) A gift said to be made in contemplation of death where a man, who is ill and expects to die shortly of his illness, delivers to another the possession of any movable property to keep as a gift in case the donor shall die of that illness.
>
> (3) Such a gift may be resumed by the giver; and shall not take effect if he recovers from the illness during which it was made; nor if he survives the person to whom it was made."

Therefore, it has more or less the same meaning as the definition which I quoted. Much of the sentiment to which expression has been given here by hon. Members who opposed this clause is based on some confusion between gifts and death-bed gifts. So far as death-bed gifts are concerned, we have recognized that there is some need for a deduction and we have provided for that in clause 32. Here, we are concerned with gifts as defined here.

The next question is, why do we make a special mention of it. Now, consider what the effect would be if we were to omit this clause. Clause 9 will not cover a *donatio mortis causa* made within two years of the death. If the man actually dies, all the property is retained by the donee, because such a gift is not an immediate gift *inter vivos* within the meaning of clause 9. There is, therefore, nothing to show that such a donation shall be deemed to pass on the death of the donor. That is why a specific provision is required. Property over which the deceased had no disposing power at the time of death cannot be taxed without a specific provision. Properties which have been gifted away can be subjected to a charge only by a specific provision. That is the necessity for specifically including *donatio mortis causa* as clause 9 relates to immediate gifts. I submit there is nothing against the special religious sentiment in this country having regard to incidence of this gift. Therefore, I oppose all the amendments that have been moved to this clause.

6 P.M.

Mr. Chairman: I will put the amendments to the House.

Shri S. S. More: All the amendments together, Sir.

Mr. Chairman: The usual course is much better.

Shri K. K. Basu: No withdrawals?

Shri Mulchand Dube: I beg leave to withdraw my amendment.

The amendment was, by leave, withdrawn.

Shri Tek Chand: I beg leave to withdraw my amendment.

The amendment was, by leave, withdrawn.

Shri Lokenath Mishra: I follow the line.

The amendment was, by leave, withdrawn.

Shri S. S. More: I beg leave to withdraw my amendment.

The amendment was, by leave, withdrawn.

Mr. Chairman: The question is:

"That clause 8 stand part of the Bill."

The motion was adopted.

Clause 8 was added to the Bill.

Clause 9.—(*Gifts within a certain period before death.*)

Shri N. C. Chatterjee: I beg to move:

In page 5, line 12, *after* "taken" *insert* "or settled".

Shri S. V. Ramaswamy: I beg to move:

In page 5, line 14, *after* "inter vivos" *insert* "other than for public charitable purposes".

Shri S. C. Singhal (Aligarh Distt.): I beg to move:

In page 5,

(i) line 14, *after* "trust" *add* "or"; and

(ii) line 15, *for* "in succession, or otherwise" *substitute* "who are not successors of the deceased".

Shri S. S. More: I beg to move:

In page 5, line 15, *for* "in succession, or otherwise," *substitute* "who are not in succession".

Shri Mulchand Dube: I beg to move:

In page 5, line 15, *after* "otherwise" *insert* "exceeding rupees five thousand in value".

Dr. Krishnaswamy (Kancheepuram): I beg to move:

In page 5,

(i) lines 15 and 16,

for "which shall not have been *bona fide* made two years or more before the death of the deceased".

[Dr. Krishnaswamy]

substitute "which shall have been made *mala fide* within two years before the death of the deceased"; and

(ii) *after* line 19, *insert*:

> "*Explanation.—Mala fide* in this section shall mean, with the intention of evading the duty payable under this Act".

Shri Tek Chand: I beg to move:

In page 5, line 16, *omit "bona fide"*.

Shri Mulchand Dube: I beg to move:

In page 5, line 16, *omit "bona fide"*.

Mr. Chairman: Amendment No. 639 is the same. It need not be moved.

Shri Lokenath Mishra: I want to move No. 639.

Mr. Chairman: Already the same amendment has been moved by Shri Mulchand Dube. This need not be moved. Amendment No. 21 need not be moved; it is the same.

Shri Banerjee (Midnapore—Jhargram): I beg to move:

In page 5, line 16, *omit* "two years or more"

Shri S. S. More: I beg to move:

In page 5, line 16, *for* "two years or more" *substitute* "five years".

Shri C. D. Deshmukh: I beg to move:

In page 5, line 16, *omit* "or more"

Shri V. B. Gandhi (Bombay City—North): I beg to move:

In page 5, line 16, *for* "two" *substitute* "three"

Shri Ramachandra Reddi (Nellore): I beg to move:

In page 5, line 16, *for* "two years" *substitute* "two months".

Shri S. V. Ramaswamy: I beg to move:

In page 5, line 16, *for* "two years" *substitute* "one year"

Shri K. K. Basu: Sir, I beg to move:

In page 5, line 16, *for* "two years" *substitute* "five years".

Mr. Chairman: No. 308: I think it is the same.

Pandit C. N. Malviya: I beg to move:

In page 5, line 16, *for* "two years" *substitute* "five years".

Shri Mulchand Dube: I beg to move:

In page 5, line 16, *for* "two years" *substitute* "five years".

Dr. Krishnaswami: I beg to move:

In page 5, line 16, *omit* "or more"

Shri Telkikar (Nanded): I beg to move:

In page 5, line 16, *after* "deceased" *insert* "unless it is an accidental death".

Shri H. G. Vaishnav (Ambad): I beg to move:

In page 5, line 17, *before* "shall be" *insert*:

> "which is not an accidental death".

Shri Tek Chand: I beg to move:

In page 5, line 17, *add* at the end "unless death was due to *vis major* or accident".

Shri N. R. M. Swamy (Wandiwash): I beg to move:

In page 5, line 17, *add* at the end:

"unless the Court otherwise determines the *bona fides* of the disposition on a suit filed by the aggrieved party within six months of the determination of the *mala fides* of the gifts."

Shri S. V. Ramaswamy: I beg to move:

In page 5, *omit* lines 18 and 19.

Shri S. C. Singhal: I bag to move:

In page 5, *for* lines 18 and 19, *substitute*:

"Provided that—

(i) in the case of gifts made for public charitable purposes, the period shall be six months; and

(ii) in the case of gifts made to the successors, the period shall be fifteen years."

Shri C. C. Shah: I beg to move:

In page 5, *for* lines 18 and 19, *substitute*:

"Provided that this section shall not apply to gifts made for public or charitable purposes".

Shri G. D. Somani (Nagaur-Pali): I beg to move:

In page 5, *for* lines 18 and 19, *substitute*:

"Provided that gifts made for public charitable purposes shall not be deemed to pass on death".

Shri N. C. Chatterjee: I beg to move:

In page 5, *for* lines 18 and 19, *substitute*:

"Provided that in the case of gifts made for public charitable or religious purposes the property covered by such gifts shall not be deemed to pass on death".

Shri Sinhasan Singh: I beg to move:

In page 5, *for* lines 18 and 19, *substitute*:

"Provided that gifts specifically made for public charitable purposes can be made any time before the death."

Shri Nathwani: I beg to move:

In page 5, line 18, *omit* "public".

Shri Tek Chand: I beg to move:

In page 5, line 18, *after* "public" *insert* "or".

In page 5, line 19, *for* "the period shall be six months" *substitute* "the property shall not be deemed to pass on death".

Shri M. L. Agarawal: I beg to move:

In page 5, line 19, *for* "the period shall be six months" *substitute* "prescribed by the Government of India, the property covered by such gifts shall not be deemed to pass on death".

Shri Ramachandra Reddi: I beg to move:

In page 5, line 19, *for* "six months" *substitute* "six hours".

Shri V. B. Gandhi: I beg to move:

In page 5, line 19, *for* "six months" *substitute* "one year".

Shri C. D. Deshmukh: I beg to move:

In page 5, line 12, *before* "Property" *insert* "(1)".

I am not moving part (ii).

Shri T. N. Singh: I beg to move:

In the amendment proposed by Shri C. D. Deshmukh, *add* at the end:

> "subject to a limit of rupees five thousand in the case of each marriage and rupees two thousand in the case of each donee."

Shri T. S. A. Chettiar (Tiruppur): I beg to move:

In page 5, *after* line 19, *insert*:

> "Provided further that the limit of two years shall not apply where death occurs due to fatal accidents or sudden unforeseen calamity".

Shri S. V. Ramaswamy: I beg to move:

In page 5, *after* line 19, *insert*:

> "Provided further that where an absolute gift *inter vivos* is made to the Union Government to be applied in reduction of the Public Debt of India, the property so given shall be exempt from the estate duty as from the date when it is transferred to the Government".

Dr. Krishnaswami: I beg to move:

In page 5, *after* line 19, *insert*:

> "*Explanation*—Where a person, having been absolutely entitled to any property or to the funds with which any property was purchased, has caused it to be transferred to or vested in himself and any other person jointly, whether by disposition or otherwise, either by himself alone or in concert, or by arrangement, with any other person so that the beneficial interest in some part of that property passes or accrues by survivorship on his death to the other persons, the whole of that property shall be deemed to pass on the death.
>
> *Explanation* 2—Property passing on the death of the deceased shall not be deemed to include property held by the deceased as trustee for another person under a disposition not made by the deceased or under a disposition made by the deceased where (whether by virtue of the original disposition or of a subsequent surrender of any benefit originally reserved to the deceased or otherwise) possession and enjoyment of the property was *bona fide* assumed by the beneficiary at least before the death and thenceforward retained by him to the entire exclusion of the deceased or of any benefit to the deceased by contract or otherwise:
>
> Provided that in the case of property held by the deceased as a trustee for public charitable purposes the period shall be six months."

Shri H. L. Agarawal: I beg to move:

In page 5, *after* line 19, *add*:

> "Provided further that the property covered by such gifts in favour of the legal heirs of the deceased shall be deemed to pass on death."

Shri Mohiuddin (Hyderabad City): I beg to move:

In page 5, *after* line 19, *insert*:

> "Provided further that the gifts *inter vivos* made after the 1st day of April 1946 shall be subject to a duty not exceeding one-half of the rate under section 34."

Shri Gadgil: I beg to move:

In page 5, *after* line 19, *insert*:

> "(2) The provisions of sub-section (1) shall not apply to gifts made in consideration of marriage or which are proved to the satis-

> faction of the Controller to have been part of the normal expenditure of the deceased and to have been reasonable having regard to the amount of his income or to the circumstances, but not exceeding rupees five thousand in the aggregate."

I have moved the second part. The first part is already covered by the amendment moved by Shri C D. Deshmukh.

Shri N. C. Chatterjee: I beg to move:

In the amendment proposed by Shri Gadgil,

omit "but not exceeding rupees five thousand in the aggregate".

Shrimati Jayashri (Bombay—Suburban): I beg to move:

In page 5, *after* line 19, *insert*:

> "Provided further that always the conditions herein contained shall not apply in the case of gifts of land made to the landless in the *Bhoomidan Yagnya*".

Shri N. S. Jain (Bijnor Distt.—South): I beg to move:

In page 5, *after* line 19, *insert*:

> "Provided further that in the case of gifts whenever and howsoever made in favour of person in succession or in favour of person likely to be person in succession if the succession was to open on the date of the gift, the property taken as a gift shall be deemed to pass on the donor's death."

Mr. Chairman: I think all the amendments have been exhausted now. There will be discussion on clause 9, and also the amendments which are now before the House.

Shri S. V. Ramaswamy: My amendments are Nos. 19, 25, 27 and 40.

Amendment No. 19 seeks to introduce this clause:

In page 5, line 14, *after* "*inter vivos*" *insert* "other than for public charitable purposes".

[MR. DEPUTY-SPEAKER *in the Chair*]

By a further amendment, amendment No. 27, I seek to omit the proviso:

> "Provided that in the case of gifts made for public charitable purposes the period shall be six months."

By an earlier amendment, amendment No. 25, I seek to change two years into one year. I deal lastly with amendment No. 40.

The idea is that if a gift is made for a purpose which is "public charitable", then, it should be exempt, whatever be the period within which the gift was made before the death. That is the idea with which I have introduced this clause "other than for public charitable purposes" after the words "*inter vivos*", and I am seeking to delete the proviso also.

In moving this amendment, I wish only to submit that not merely should the State not step in between the donor and his wishes to give away the property for any purpose which is "public charitable", but the time limit which has also been set by the clause is far in excess. Instead of encouraging endowments to public charitable purposes, the clause as it stands would impose a restraint upon them. I therefore submit that a gift made for a public charitable purpose at any time before death should not be liable to duty. The clause as it stands would exempt only those gifts which are made before six months. Supposing, on the point of death, a man thinks of giving away his entire property for the construction of a hospital or a college or a university, why should the State step in and prevent such a gift being made?

[Shri S. V. Ramaswamy]

I know the hon. Finance Minister will say: "After all, we are not preventing; we are only imposing a duty. Let the duty be paid to the State and the gift take effect." When the donor thinks of the tax that may be collected, he will hesitate to give it, and moreover, the entire benefit of the gift will not go to the institution for which it is meant. The State steps in and will cut off a large slice of the gift. I submit that the State should not interpose at that stage and take a big slice of the gift and deprive public charitable institutions of the benefit of the gifts. I also seek to reduce the period to one year, in order that people may make the gift at least one year before their death, and that such gifts may not be affected by the duty. The purpose is very clear, and I hope the hon. Finance Minister will find his way to accept at least my amendment seeking to delete the proviso, with regard to gifts made for charitable purposes. If he accepts that amendment, then my earlier amendment will be just complementary to that.

My last amendment provides for a contingency where charitable disposed persons may donate some money for the purposes of reduction of the public debt of India. I seem to excite laughter in some quarters in the House. There may be charitable persons like my esteemed friends Mr. Tulsidas Kilachand, and Mr. G. D. Somani, who might like to gift away some portion of their property for reduction of the public debt.

Shri K. K. Basu: On your advice.

Shri S. V. Ramaswamy: In that case, let us have it that the gift should not be subjected to any estate duty.

Mr. Deputy-Speaker: The hon. Member also seems to be a little rich.

Shri S. S. More: He is generous at somebody else's cost.

Shri S. V. Ramaswamy: The inspiration for this amendment came to me from what I found in Halsbury's *Laws of England*, Volume 13, on page 259. I have copied verbatim paragraph 256 *mutatis mutandis*. There it reads:

> "Where an absolute gift *inter vivos* is made to the National Debt Commissioners, to be applied in the reduction of the National Debt, the property so given is exempt from the estate duty as from the date when it is transferred to the Commissioners."

Mr. Deputy-Speaker: What does it matter, whether it is given in one form or the other, whether it is for reduction of the national debt, or for estate duty.

Shri S. V. Ramaswamy: National debt should be preferred. The direction of the national debt would be more preferable. Why should the tax-collectors collect money from us and spend it? Here is something definite. The donor gives it for the specific purpose of reduction of the national debt, and it is a public service. I have only followed the example of the drafting of the Bill in U.K., because I find that many sections of that Act have been incorporated wholesale in this Bill. I therefore hope that the hon. Finance Minister will accept this amendment.

Shri K. K. Basu: May I enquire whether there is to be any change in the arrangement as to our sitting? Are we going to close earlier?

Mr. Deputy-Speaker: No, no. We are closing at seven o'clock. I find that a number of amendments have been moved to clause 9.

Dr. Krishnaswami: The House is very thin.

Mr. Deputy-Speaker: So far as this clause is concerned, a thicker House is not necessary.

We have discussed this matter at length. This is one of the important items with respect to which there has been enough discussion during the first reading stage as to whether the period ought to be two years or six

months, or no period at all should be there. The proviso also has been discussed in detail in regard to charitable purposes. All the arguments have been pressed for the one side and the other. Therefore, let hon. Members be as brief as possible. Let there be no repetition of any argument that has been pressed during any stage of the debate, as far as possible.

श्री एस० सी० सिंघल : यह धारा सब से अहम धारा है। इसी के ऊपर इस बिल का दारोमदार है और इस धारा में सुधार निहायत जरूरी है। जैसी यह धारा है अगर वह वैसी ही पास हो गई तो मैं समझता हूं कि बिल का पास होना बेफायदा है। सब प्रापर्टी ट्रांसफर हो जायगी। मेरा संशोधन इस तरह से है :

In page 5,

(i) line 14, *after* "trust" *add* "or"; and

(ii) line 15, *for* "in succession, or otherwise" *substitute* "who are not successors of the deceased."

मेरा दूसरा अमेंडमेंट २८ नम्बर का है। वह इस तरह से है :

In page 5, *for* lines 18 and 19, *substitute*:

"Provided that—

(i) in the case of gifts made for public charitable purposes, the period shall be six months; and

(ii) in the case of gifts made to the successors, the period shall be fifteen years."

इस बिल पर चर्चा १९४६ से हो रही है और जब से चर्चा हुई है तब से मालदार पूंजीपतियों ने अपनी प्रापर्टी को किसी दूसरे के नाम और खास तौर से बच्चों के नाम ट्रांसफर करना शुरू कर दिया है। इंगलैंड में जहां पर सब से पहले यह कानून १८९६ में बना था वहां पर भी तीन साल रखा गया था। ओरिजिनल बिल में भी तीन साल रखे गये थे, बाद में तीन साल से पांच साल कर दिये गये। लेकिन मुझे अफसोस है कि हमारी सिलेक्ट कमेटी ने तीन साल से ढा कर दो साल रहने दिये। मैं यह चाहता था कि जो गिफ्ट सकसेसर को दिया जाता है उस पर कोई एग्जेम्पशन नहीं होना चाहिए। मैं ने १५ साल इसी लिये रख दिये हैं कि आसानी से हिसाब लग सके। इंगलैंड में जहां पर यह कानून चालू है वहां के लोगों का कहना है कि :

"That any revenues were forthcoming is presumably attributable to untimely deaths, to utter distress of beneficiaries, or to mere disregard of their interests."

साइमन साहब का यह कहना है।

एक दूसरे आथर का कहना यह है कि:

"Though the necessity of maintaining old family estates and dignity in England acts as a brake on the tendency to evade the death duties, through liberal gifts in lifetime, it has been estimated that about one-fourth of property in U.K. is transferred by way of gifts."

इंगलैंड के बाशिन्दे बहुत ही देशभक्त कहे जाते हैं। उन की कौम बहुत डिसिप्लिन्ड है। वहां के लोग नहीं चाहते हैं कि किसी तरह से भी सरकार की चोरी की जाय लेकिन वहां भी एक चौथाई प्रापर्टी गिफ्ट में ट्रांसफर कर दी जाती है और सिर्फ तीन चौथाई पर टैक्स लगता है। हिन्दुस्तान की जनता में जो बड़े आदमी हैं वे ब्लैक मारकेट से मालदार हुए हैं। तो जो आदमी ब्लैक मारकेट से कमायेगा उस से तो आप यह उम्मीद न करिये कि वह सरकार के लिए

[श्री एस० सी० सिंघल]

ईमानदारी दिखायेगा । या आसानी से टैक्स दे सकेगा । जब इंगलैंड में यह हालत है तो मैं समझता हूं कि यहां पर तो बहुत गिरी हुई हालत है । यहां आठ लाख आदमी इनकम टैक्स देते हैं उन से कम आदमियों पर ही यह ड्यूटी लगेगी । तो मैं समझता हूं कि ज्यादा से ज्यादा आदमी अपनी प्रापर्टी को ट्रांसफर करने की कोशिश करेंगे । मेरे एक दोस्त हैं करीब १५ दिन हुए उन से मेरी बातें हुईं वह मालदार आदमी हैं । उन्होंने कहा कि भाई मैं बड़ी चिन्ता में हूं । मैं ने पूछा कि क्या चिन्ता है तो उन्होंने कहा कि मैं ने अपने लड़के को एक पत्र लिखा था कि डथ ड्यूटी पास होने वाली है, मैं चाहता हूं कि अपनी प्रापर्टी तुम्हारे नाम कर दूं । लेकिन लड़का ऐसा कपूत है कि उस ने लिख दिया कि मैं सरकार की चोरी नहीं करना चाहता हूं, तो मैं सोच रहा हूं कि क्या किया जाय । एक तरकीब मुझे सूझी है कि मैं अपनी प्रापर्टी पोतों और बहू के नाम कर दूं । तो मैं ने एक मिसाल दे दी । मेरे करीब करीब जितने रिश्तेदार हैं वे सब मालदार हैं । मैं सब की नीयत देखता हूं । सब इस कोशिश में हैं कि सरकार की आंख में धूल झोंक दी जाय और यह कानून जो बनने वाला है वह बेकार हो जाय ।

सरदार हुक्म सिंह (कपूरथला-भटिंडा) : वह रिश्तेदार आपका ऐतबार करते हैं ?

श्री एस० सी० सिंघल : तो मेरा कहना यह है कि अगर सरकार को इस के द्वारा आमदनी करनी है तो १५ साल रखना चाहिए और अगर आमदनी नहीं करनी है तो दो और तीन साल रहने दे ।

अमेरिका के बारे में एक प्रोफ़ेसर ने कहा है :

> "One of the largest estates in the world was given away in U.S.A. as a gift when no gift law was in force in that country."

तो इस की वजह से अमेरिका में १९२४ में अलग गिफ्ट ऐक्ट पास किया गया जिस में हर एक गिफ्ट पर टैक्स लगा दिया गया । आप को मालूम है कि वहां पर गिफ्ट टैक्स कैसे लगाते हैं । डेढ़ परसेंट से ले कर साढ़े बावन परसेंट तक टैक्स लगता है । तो मेरी तो फायनेंस मिनिस्टर साहब से यही प्रार्थना है कि या तो इनकम टैक्स ऐक्ट में ऐसा कोई संशोधन किया जाय कि जिस को गिफ्ट मिले उस पर से टैक्स ले लिया जाय, इनकम टैक्स ऐक्ट, या फिर गिफ्ट टैक्स ऐक्ट लगाया जाय । या इसी धारा को इस तरह संशोधित किया जाय कि १५ साल के अन्दर जो गिफ्ट करेगा उस पर टैक्स ले लिया जायगा । अगर ऐसा नहीं किया गया तो बहुत घाटा रहेगा ।

दूसरी बात यह है कि मैं हाउस में देख रहा हूं कि इस बिल पर सन् १९४६ से विचार हो रहा है । सन् १९४८ में जब यह हाउस के सामने पेश हुआ तो सिलैक्ट कमेटी में पहुंचा । लेकिन दबा दिया गया । अब भी करीब करीब छः महीने से विचार चल रहा है । लेकिन जितनी ज्यादा सरगरमी मैं इस बिल में देख रहा हूं जिस से कि सिर्फ दो तीन हजार आदमी जो मरेंगे उन पर असर होगा और उस हिसाब से शायद एक ज़िले में दो या तीन या चार आदमी होंगे, तो उन के मरने पर टैक्स देने का नम्बर आवेगा तो उन की तो हमारे तमाम मैम्बरों को ऐसी फिक्र है, लेकिन जो लाखों आदमी नंगे मर रहे हैं, जो भूखे मर रहे हैं और जिन के रहने के लिये मकान नहीं हैं

उन के बारे में कोई सोच फिक्र नहीं है। इन दो चार आदमियों की जो मरेंगे, इन की प्रापर्टी बची रहे, उस का ज्यादा ध्यान है। जब कांस्टीट्यूएन्ट असेम्बली बैठी हुई थी, कांस्टीट्यूशन ड्राफ्ट हो रहा था तो मैं एक चीज़ चाहता था कि इन बड़े आदमियों को वोट देने का और मैम्बर बनने का अधिकार नहीं होना चाहिये। मगर यह अधिकार उन को मिल गया। इन सब के साथ में हम क्या देखते हैं कि लक्ष्मी जहां होती है वहां आदमी आकर्षित हो ही जाते हैं। वह लक्ष्मी लोगों को आकर्षित कर लेती है। मैं देखता हूं कि यहां तीन चार पूंजीपति आए हैं, लेकिन उन की रक्षा करने के लिये बड़ा भारी जमाव हो जाता है जो इस बात पर विचार भी नहीं करते होंगे कि यहां पर क्या चीज़ की जा रही है।

तो मेरी तो प्रार्थना यह है कि यह ऐक्ट जल्दी पास किया जाय और अगर फायनेंस मिनिस्टर साहब ठीक और मुनासिब समझें तो मेरा संशोधन मंजूर कर लें। अगर उन की समझ में वह संशोधन को मंजूर न करें तो फिर इनकम टैक्स ऐक्ट में तरमीम करें या गिफ्ट ला बनावें, जैसे कि अमेरिका में है अगर ऐसा नहीं करेंगे तो बेईमान आदमी बच जावेंगे और ईमानदार आदमी मर जावेंगे।

Mr. Deputy-Speaker: Mr. Tek Chand. The hon. Member will be short and brief.

Shri Tek Chand: There are five amendments with respect to clause 9 that I have taken the liberty to move. I will respect your wishes that I should be short and brief.

My first amendment relates to the omission of the word '*bona fide*' occurring before the word 'made'. My reasons, briefly, are these: either the word '*bona fide*' relates to the state of mind or, as erroneously held in one decision in England, to which a reference was made sometime ago by the hon. Member, Mr. Chatterjee, *bona fide* may relate to the actual process, actual making.

Shri U. M. Trivedi: On a point of information, Sir. A conference is going on.

Mr. Deputy-Speaker: I am sorry.

Shri Tek Chand: My submission to the hon. Finance Minister is that '*bona fide*' is absolutely redundant, and if redundant, is likely to lead to a certain amount of mischief. If there is a gap of two years between gift and death, the question of '*bona fide*' as an additional hurdle should not be there. The words as they stand, would, therefore, mean that there are two conditions which have to be satisfied, *viz.* after the gift is made there must be a race over a track of two years between death and the donor. If the donor beats death over a track of two years, one condition only is fulfilled. The other condition will be that the gift at its inception must also have been *bona fide*, the literal meaning of which is 'in good faith'. 'In good faith' may have either to do with the making of the gift or with the intention of the gift. If a person has an absolute free hand as to the manner in which he likes to make a gift and as to the object of his generosity, then the word '*bona fide*' becomes redundant; otherwise there will be one difficulty.

Mr. Deputy-Speaker: I would warn hon. Members about one thing. No hon. Member may go away thinking that we will rise immediately. I think we have fixed up that clauses up to 29 ought to be completed by the end of this day. We are barely on clause 9. Therefore, let no hon. Member feel that under that impression he may go away. The House will sit. Nobody can give assurance so far as the time is concerned. The schedule is that this must be finished by a particular day. Within that we are proceeding as rapidly as possible. But if necessary, we will have to sit even up to midnight.

Shri S. S. More: Oh, yes. (*Interruptions*)

Shri Tulsidas (Mehsana West): I would like to know one thing. The Business Advisory Committee had decided that the Session was not going to extend beyond the 18th. Now if that is so, then we have to stick to that programme. But if the Session is going to be extended, then it is no use our sitting all the time in the evening upto 10, 11 or 12. If the Session is to close on the 18th, I can understand it. In the Business Advisory Committee we were told that the Session was not going to be extended beyond the 18th.

Mr. Deputy-Speaker: I have no information. Most of us are under the impression that it will close on the 18th.

Shri M. C. Shah: Yes.

Mr. Deputy-Speaker: There has been no request made by anybody to extend it. So we presume it will close on the 18th.

Shri Tulsidas: In the morning we were told in a Committee that it was going to be extended upto the 24th.

Shri M. C. Shah: No, no.

Shri Tulsidas: That is what we were told.

Mr. Deputy-Speaker: Hon. Members who must have said that are here. If they had said that, they would say it in the House. If they had not said that, they will not say it.

Shri Tek Chand: I was submitting that after the satisfaction of the first condition, the second condition becomes unnecessary and arduous. I am contemplating a case of a gift made 36 or 40 years ago; when its validity or its *bona fide* character is going to be challenged, in all probability all trace of evidence must have disappeared by the death of people. At that time it will become impossible to lead proof of the fact that the donor had made it *bona fide*. The donor is gone and so also possibly the various attesting witnesses who are to depose to the state of affairs as they happened forty years ago or 50 years ago. All the trace of evidence having evaporated, this insistence that you must prove that the gift was made *bona fide* at its inception, I submit, will be hardly possible to secure by even the most honest of men. That is with regard to the fact that the word '*bona fide*' should be omitted.

My second amendment relates to the fact that the words should be not 'public charitable' but 'public or charitable'. The word 'or' should be inserted between the words 'public' and 'charitable'. We have been following English law in this connection. Why that has not been followed for the purpose of this expression is beyond my comprehension. If you will be pleased to turn to section 59 of the Finance Act of England of 1910, the words are 'public or charitable purpose'. That is to say, the word 'or' is inserted between the words 'public' and 'charitable'. It will lead to lucidity of comprehension if we have the same expression. That is why I request that it would be in the interests of clarity to have 'public or charitable' rather than 'public charitable', which conveys a totally different meaning.

Then, the next amendment to which I attach considerable importance is that in page 5, line 17, after the words 'shall be deemed to pass on death', the words 'unless the death was due to *vis major* or accident' should be added. I want you, Sir, to appreciate the importance of this suggestion of mine in the light of an actual illustration.

Mr. Deputy-Speaker: Does it not come under quick succession. There it can be more suitably taken up. Allowances to quick succession to property is in clause 30. If there are successive deaths within three months, then only one, the earliest shall be counted.

Shri Tek Chand: I feel that this place is not improper. I am, of course, subject to be corrected by you, Sir. But, I think if this matter were put in here that will perhaps be appropriate.

Now, supposing the gift is made and all the requirements of law have been satisfied. After the donor leaves the office of the sub-registrar where the document has been registered, he is over-run by a military truck or his death takes place as a result of accident.

Shri S. S. More: Heart failure.

Shri Tek Chand: Accident, I said. The result will be that the donee who has got the property will be called upon to pay the death duty. My submission is that death under these circumstances, due to *vis major*, due to the criminal negligence of third persons, due to accident to which the deceased never contributed by way of contributory negligence, such deaths deserve to be excused because it will be needless and improper hardship on the donee. Therefore, in the case of deaths due to *vis major*, an expression well known in law, or deaths due to accidents, there ought to be an exemption. If that is done you will be doing something which will be in concord with reason.

And the last amendment to which I wish to refer is the amendment wherein I submit that instead of a period of two years, the period should be reduced to one year. An hon. friend who spoke just now referred to the law in England. I very much wish that he had not derived his knowledge from a superficial survey of what is stated to be English law. If he had gone into the history of English law, he might have come to a different conclusion. As early as 1889, section 11, sub-section (1) of the Customs and Inland Revenue Act of England provided three months only. From 1889 when the limit was three months, till 1910 the limit continued to be three months and no more. (*Interruption*) I am stating everything. Therefore, during the earlier years, that is to say for a period of 21 years, three months was considered to be a sufficiently long time-limit for the purposes of gifts. It was after 21 years that in the Act of 1910 the limit was raised to three years and in 1940 the limit was raised to five years. But the important fact is that for the first period of 21 years the limit in England was three months. If in the earlier period the limit is reduced from two years to one year—I do not say three months, I say four times three months—it will be deemed proper and it will not be doing injustice. That concludes the last of my amendments.

Shri Raghuramaiah (Tenali): I am one of those who strongly feel that gifts made in aid of public charities should be wholly exempt from this taxation provision. It might be that in days of old there were more and more liberal donations to public charities in this country by Maharajas and Rajas to temples and religious institutions. The difficulty of raising public donations is being realised by many of us nowadays as for instance in respect of Godavari and other floods. It is really very necessary that we should encourage public charities in this country and I do not see why a public charity should be liable to taxation of this nature. After all, when you collect tax from an estate, the idea is that the entire public in the country will get the benefit out of it. But it is only a portion by way of tax that the Government gets out of the property. But, when a person gives the entire property to a public charity, the whole estate goes to be benefit of the public—although it may be in a limited sphere—I would therefore urge the exclusion of public charities.

As regards the period, Mr. Tek Chand has taken us to English history regarding this and has stopped somewhere at 12 months. I would beg of him to say why he has stopped at 12 months. I would like to go the whole hog and say let us go back to 1881 when the measure was first enacted in England when they fixed three months. I am one of those who are greatly puzzled by the fixation of the period when we have got the other safeguard that the gift must be *bona fide*. If a gift is *bona fide* and is not made with a view to avoid taxation and is given *qua gift* and with the best of intentions; I do not see why there should be a time-limit at all. Pre-

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sumably, when they fixed three months, it was to distinguish a gift *inter vivos* from a gift which is donation *mortis causa*, that is, made in contemplation of death. For that purpose they must have fixed the period of three months. Later on, it might be that they found that people were getting wiser and were making gifts much in advance and so they might have extended this period to two years and so on subsequently. In the present conditions in this country when we are introducing this measure for the first time, I take it that no man is going to give away his property as a gift just to avoid this tax of one or two per cent. There must be the urge. And it must be *bona fide*. That controlling factor is there. And courts will always see whether it was *bona fide*. And if it was *bona fide* it is unnecessary to enquire when it was made.

The only other point I would respectfully urge is this. I find the Finance Minister is not here. I do not know whether he has moved for the omission of the words "or more" in clause 9. He has of course been very generous. Probably it is meant as a concession to certain Members who raised it in the Select Committee. But it has its own complications. The important point is there are other clauses in this very Bill where certain qualifying words are used in a similar context. The point I am driving at is that if you say 'two years before the death of the deceased', a literal construction may be put upon it that it must be at the commencement of the two year period and not one day earlier. I am told this is borrowed from the English Finance Acts and that no difficulty has been found by the courts there in interpreting it. Presumably the reference is to the series of Finance Acts commencing with the Act of 1881. The Act of 1881, I agree, has not used the expression 'or more'. It says 'made three months before the death'. The subsequent enactment went on merely substituting the words "twelve months", "three years" and "five years". So the English enactment which we are relying on is really an archaic one with its own medieval drafting. You will see later on that even the British draftsmen found that such a language would be ambiguous, and in the Act of 1940, section 48(3), with reference to certain surrenders, they used the expression "before the beginning of three years ending with the death of the deceased". I need not go to British Acts. Our own draftsmen in this very Bill have used a different expression which we are leaving untouched. That is in clause 11(2) where they say "not less than two years before the death". The courts will naturally say: if your intention is to refer to a gift effected not less than two years before death, why have you not used the specific words as you have used in clause 11(2)? The safer thing will therefore be not to omit the words "or more".

If British courts were interpreting in a certain way why should we compel our lawyers and our people to purchase the English laws and commentaries thereon and to see what are the decisions thereon and all that? The simple expression "or more" would clarify everything. Probably the amendment is meant to be a concession. But I daresay people in this country would appreciate concession in cash rather than a concession in words which would make further inroads into their cash.

Shrimati Jayashri: My idea in moving my amendment is not in any way to water down the Estate Duty Bill. This *Bhoomidan Yajna* has been praised by the Government as a very peaceful method of solving the very difficult problem of land. We achieved our freedom through a very unique method, namely that of non-violence. Shri Vinobaji is also bringing about a bloodless revolution in the country by another unique method, namely the *Bhoomidan Yajna*. This will also in a way solve the problem of agricultural unemployment in the rural areas.

As you are aware, Sir, Shri Vinobaji is collecting lands and giving these to the landless people. To those who have no land, these lands have been distributed through this *Bhoomidan Yajna* collections. For this I think the donor will make a gift to the person to whom Shri Vinobaji will give the land. If such gifts fall within the two years limit, the enthusiasm of the people, those who donate lands, will perhaps be damped. The land donors are not always big zamindars as some Members have said. Most of them are small landholders and they are coming forward to donate these land gifts. So we should encourage these people. And unless this amendment is accepted, very few people will come forward to donate their lands. Because in such cases the land will be subject to estate duty which perhaps will have to be paid by the person receiving the land, at the rate applicable to the whole of the estate of the donor. I therefore suggest that gifts under the *Bhoomidan Yajna* should not be subject to estate duty.

The hon. Minister had given concession to various charities. I think that this *Bhoomidan Yajna* is the best charity that one can make during this time. The whole world, I should say, is looking to this unique experiment, and if we want to make this a success we should encourage this *Bhoomidan Yajna*. That is why I appeal to the hon. Minister to accept this amendment.

If this is not accepted we hope that another amendment which some of us have tabled to clause 32—exemption clause—will be accepted.

7 P.M.

Shri V. B. Gandhi: I have moved two amendments to clause 9. Clause 9 deals with gifts made within a certain period before death. In plain English what this clause provides is that a person can give away his property by way of a gift at least two years before his death and thus save the property from being liable to estate duty. If the gift happens to be for public charitable purpose then he can give away his property until six months before his death.

After the speeches of some of the hon. Members, particularly of Shri Tek Chand and of Shri Raghuramaiah, the need is all the more emphasised for this House to understand the significance of the period mentioned in this clause—the period of two years and the period of six months. To understand the significance of this period of two years let us see what would be the effect if this period were to be reduced from two years to one year. The effect would be that we would only be making it easier for people to go on making gifts of property during their life-time until one year before death and by doing so save that property from liability to estate duty. If we reduce the period further or remove the period altogether, then what happens? Anybody would be free to part with his property and save it from any liability to estate duty until the last minute of his death and the result would be that there would be precious little left for us on which to levy an estate duty. We might as well shut up shop and give up this whole effort of ours.

It is, therefore, very important to concentrate our attention on this question. My amendment suggests that the period should be three years for gifts and one year for donations to public charitable purposes. I know what the fate of this amendment is going to be because I understand that the Finance Minister considers, of all the various periods suggested in as many as 74 amendments to this clause, the two years that are incorporated in this clause as the golden mean. However, this clause is so important that if not properly considered it will undo this whole legislation.

My real stand on this question of period in this clause is not really represented by the amendment I have moved. I had in fact proposed another amendment and that amendment suggested that this whole clause 9 should be deleted. Of course, that amendment was not admissible because it was the negation of the very

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principle underlying the clause. But my stand really is that no gift should be allowed to be exempted from estate duty whenever made. The direction of our whole effort should be to prohibit all kinds of tax-free gifts. This clause, as we see, really keeps the door wide open for avoidance of estate duty. Now, here I am talking of avoidance and not evasion of estate duty. When we talk of avoidance, of course, we have a reference to legal reduction of one's liability to tax and when we talk of evasion, of course, it is the other kind, the illegal kind of reduction of liability to tax.

Mr. Deputy-Speaker: Does the hon. Member mean that it should be from the start of life and that there should be no period? I am not able to understand.

Shri V. B. Gandhi: Yes. If I have understood you correctly that is precisely what I am aiming at.

Mr. Deputy-Speaker: I only wanted to clarify the position.

Shri V. B. Gandhi: Let me give an illustration. Take a wealthy man in our country possessing a fortune of over Rs. 50 lakhs, so he is qualified to belong to Mr. Deshmukh's highest slab of rates of estate duty.

Mr. Deputy-Speaker: I think he should confine himself to the amendments moved by him and not to what he intends to say.

An Hon. Member: He is illustrating his amendment.

Shri V. B. Gandhi: I am illustrating my amendments. I will try to be brief. Why should the period be raised? Supposing such a man has a property worth 60 lakhs of rupees. If all this property is assessed for estate duty at the rates that have been provisionally given by the Finance Minister, he would be called upon to pay Rs. 18,03,750 or say Rs. 18 lakhs by way of estate duty. Now, if he gives away some of his property—say, Rs. ten lakhs each to his four sons, then what happens? His liability is reduced to the duty payable on an estate of Rs. 20 lakhs only. On the remaining Rs. 40 lakhs, that he has gifted away, he escapes the duty which would be Rs. 14 lakhs at Mr. Deshmukh's present slabs. That is a sufficient attraction for anybody to take advantage of this clause 9. His property being thus reduced to Rs. 20 lakhs, he will be called upon to pay as estate duty only rupees four lakhs. So, in this illustration, here is a man who, if he did not have the advantage of escaping from that duty, through gifting away his property, would have been called upon to pay Rs. 18 lakhs as duty, but who legally manages to have his property reduced and pays a duty of only rupees four lakhs. It is in this sense that I say that this clause is important. It is not only the rich man who will take advantage of this clause, but even the man of moderate means, the man perhaps having a property worth just about a lakh of rupees. First of all there are all kinds of exemptions and deductions and rebates and allowances of which he will get advantage. There are so many of these. In all the man will get an exemption of Rs. 60 or 65 thousand and if he can just manage to gift away Rs. 35,000 in time, he escapes any liability to death duty. Therefore, it is in this sense that this clause is the clause that is going to make or mar the good that we are seeking to achieve through this legislation.

Somehow or other, whenever we talk of estate duties the idea of death gets associated with these duties. In fact, in other countries, as we know, these duties are called death duties. I of course prefer the title, "estate duty" that we have given here. But really speaking, this idea of death is brought in simply to indicate a point of time at which the transfer of his property is supposed to take place. It is really not death that we are taxing. What we are taxing is the transfer of property that takes place after the death of the owner. It is the transfer that we are taxing. In this connection, I will just quote a sentence from Dr. Dalton's book where he says:

> "inheritance tax, although generally regarded as a direct tax, is, in a sense, merely a tax on a particular class of transactions."

So, let us remember this: that is, estate duty is not a death duty. Death only comes in very indirectly as indicating a point of time. What, in reality, we are doing is, trying to tax transactions, trying to tax transfer of property as a whole.

If that is really the essence of death duty, then, there is no logical reason why other transfers that are made during one's lifetime should be exempted. On the same logical reasoning, all transfers, all transactions in property would therefore become proper and legitimate subjects of taxation. Now, there is nothing novel in this suggestion as one of my predecessors has just said. There are countries where all transfers of property including gifts made in one's lifetime are taxed. There are countries like the United States, like Australia, like Sweden and so many others. In Australia and Sweden, gifts are taxed at the same rates—I mean these *inter vivos* gifts, that is, transfers of properties during one's lifetime are taxed at the same full rates as the rates of estate duty. In the United States, where, of course, as we know, the principle of individual liberty is paramount in their life and in their Constitution, even there, this freedom to transfer one's property in one's lifetime is curtailed and it is taxed. The rate of tax in America on gifts is 75 per cent. of the estate tax. Now, in America, what should have happened to this very wealthy man in India? I will just take the same old illustration of a man who had a property of Rs. 60 lakhs and who was therefore liable under our present rates to a duty of Rs. 18 lakhs, and who by transferring...

Mr. Deputy-Speaker: Hon. Member must have an idea of time also.

Shri V. B. Gandhi: I will finish.

Mr. Deputy-Speaker: After so many days, hon. Members would have come to some conclusion regarding clause 9.

Shri V. B. Gandhi: and who by transferring Rs. 40 lakhs reduced his liability to estate duty to rupees four lakhs. What happens to him in America? If the same man does the same thing in America and is liable to the same rates of duty as Mr. Deshmukh's slabs, then—of course this is for the sake of illustration—he would be paying Rs. four lakhs on the Rs. 20 lakhs worth of property that he retains for himself, and he would be paying a gift-tax of Rs. 8·25 lakhs, on the property of Rs. 40 lakhs that he has transferred. So, the total amount he would be paying to his Government comes to about Rs. 12·25 lakhs, in place of Rs. 14 lakhs he would be liable for if he had not transferred. That is the way things are done in other countries, and tax avoidance is prevented.

In the United States, they are not satisfied even with this provision of a gift-tax. This gift-tax in the United States is a progressive tax. If a man during his lifetime makes a gift of rupees one lakh in, say, 1935, it is charged at a certain rate. If in the next year he makes another gift of rupees one lakh, then the rate for the second gift is charged as on rupees two lakhs, and so on. If he makes a tenth gift of rupees one lakh during his lifetime, then the tenth lakh is charged according to the slab applicable to rupees ten lakhs. That is how it is done, but even with this they are not satisfied. They now want to go further and suggest that when a man's property is to be assessed to estate duty after his death, the aggregate of property will be made up of all the gifts that he has made during his lifetime. The property that is passing on his death and the gifts that he has made—the two will be added

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and the rate applicable to the total will be charged on his property, minus of course, whatever gift-tax he has paid in the meantime. That is an indication of how seriously this provision of letting people transfer their property and avoid the tax is looked upon in other countries.

I, therefore, feel that with this explanation it will be appreciated that what we are doing in clause 9 is really not enough, is not right. We must not let ourselves forget that in this whole business that we are addressing ourselves to for the last so many years, it is not only the property-owner, the man of property and the man of wealth who has to be considered: there is some one else also who is interested in this whole business, and that is "the common man"; he must be brought into the picture. When one considers the various provisions in the Bill and some of the provisions in which the exemptions have been expanded and reductions have been enlarged and so many reliefs and rebates have been liberalised, one really wonders whether it is appropriate to call this Bill an Estate Duty Bill or whether we should not call it by some other name. I would almost suggest, that unless we do something to put teeth into this Bill, to prevent further emasculation of the financial provisions of this Bill, this Bill may be called the "Estate Owners (Protection from Estate Duty) Bill". We in this House are on trial. Let us not forget to spare some of our thought and sympathy for "the common man".

With that view I suggest that clause 9 may be amended. Of course, I have to commend my own timid amendment of three years. But, I would go further and I would say that I really support the amendments moved by Shri M. C. Dube, Shri Ram Sahai Tiwari and Pandit C. N. Malviya, all of which suggest that the period be raised to five years.

Mr. Deputy-Speaker: Mr. Swamy.

Shri N. R. M. Swamy: Sir,....

श्री ऐम० सी० सिंघल : कै बजे तक डिबेट चलेगा ?

Mr. Deputy-Speaker: Hon. Members who have spoken do not want the discussion to continue; hon. Members who have not spoken want to continue the discussion.

Shri S. S. More: What is the closing time?

Mr. Deputy-Speaker: We want to close this clause 9, if possible.

Some Hon. Members: It is not possible.

Mr. Deputy-Speaker: Hon. Members will be very brief.

Shri K. K. Basu: Let this be a gift from the Treasury Benches.

Shri N. R. M. Swamy: The amendment which I have proposed is this.

Some Hon. Members: We may adjourn now.

Mr. Deputy-Speaker: The House seems to be restive. We must come to some understanding regarding this matter. Let it be the 18th or 25th or the end of this month: some day we must finish it. Let us come to some understanding when we shall finish. I did not undertake the responsibility of deciding about the time. There is a sub-committee of the Business Advisory Committee. They themselves decided that we must finish up to clause 29 even yesterday. We extended it to today. We are on clause 9.

Some Hon. Members: Today.

Mr. Deputy-Speaker: All right, today. If we finish at least tomorrow up to clause 29, that would be something. We can then start with the other group, from Monday.

Some Hon. Members: Yes

Mr. Deputy-Speaker: We are on clause 9 still. May I say that each hon. Member will not take more than 15 minutes for a speech?

Some Hon. Members: Five minutes.

Mr. Deputy-Speaker: I found that the hon. Member who has just concluded took a lot of time: nearly half an hour. If each hon. Member takes so much of time for his amendments, we do not have sufficient time.

Shri Gadgil: Two minutes will do.

Mr. Deputy-Speaker: Shall we sit tomorrow afternoon?

Some Hon. Members: Yes.

Mr. Deputy-Speaker: On the understanding that we sit tomorrow afternoon from 4 to 7-30 P.M., we shall conclude at 7-30 P.M. today.

Shri Gadgil: Can we not finish at least clause 9 today?

Some Hon. Members: No.

Mr. Deputy-Speaker: There are a number of amendments. This is the only contentious clause. We will finish it tomorrow morning. The other clauses up to 29, we must close in the afternoon.

Shri N. R. M. Swamy: My amendment is this:

> In page 5, line 17, *add* at the end:
>
> "unless the court otherwise determines the *bona fides* of the disposition on a suit filed by the aggrieved party within six months of the determination of the *mala fides* of the gifts."

The object of this amendment is this. On a perusal of this clause, as it stands, two things emerge out of it. In dispositions made by way of gifts or settlement more than two years before the death of the donor or settler, the question of *bona fides* arises. If the disposition is made within two years of his death, the question of *bona fides* does not come in at all. I think the interpretation which I am putting is not far from that which is stated in clause 9. I understand that in the case of gifts made more than two years or even five years before death, the question of *bona fides* comes into operation. Straightway the Controller has only to say that it is *mala fide*. Suppose the man dies today and he has gifted his properties three years ago, these properties will have to be accounted for by the successor or donee. The question of *bona fides* arises and it has to be determined. By whom? According to this Bill, the Controller has to determine. In all cases of gifts and settlements, he could certainly say that it is a *mala fide* disposition. In that case, what is the remedy for the aggrieved party? The aggrieved party has to find some way out of it. As a matter of fact, even alienations made four or five years before death happen to be seized by these Controllers. His only remedy is to go to a court.

Mr. Deputy-Speaker: If it is a *benami* transaction and never intended to operate as a gift?

Shri N. R. M. Swamy: The question of *bona fides* never arises. He will straightway say, it is *benami*, *mala fide*.

Mr. Deputy-Speaker: The opposite of it is *bona fide*.

Shri N. R. M. Swamy: What I say is this. The Controller will uniformly say, being an executive officer, let him prove that it is otherwise. He will straightway say that it is a *benami* transaction, not intended to come into operation at all, and that it is with a view to avoid this tax that he has gifted away property. The question of *bona fide* comes into operation and he would simply say that it is *mala fide*, that is, *benami*.

Mr. Deputy-Speaker: What is the remedy?

Shri N. R. M. Swamy: The remedy is, the court has to determine it: not the executive officer. Only a judicial officer, a court alone, can decide if any transaction is *bona fide* or not If the court says that it is *bona fide*, it is the judgment of the court that stands, not the determination of the Controller.

Shri S. S. More: On a point of order, Sir,...

Mr. Deputy-Speaker: The matter is concluded by the vote of the House against a tribunal.

Shri S. S. More: That is the point of order that I wanted to raise. Once we have decided that the courts shall not intervene or do anything in this particular matter, can this sort of an amendment be valid?

Shri N. R. M. Swamy: That is about the tribunal.

Mr. Deputy-Speaker: I can only say that the sense of the House is against it, but technically it is not barred. Because, in the various categories of officials and authorities, they wanted to have a tribunal. This is a court. No court is established under this law. Therefore, why should the ordinary remedy of going to court be barred. I cannot say technically it is barred.

Shri Raghavachari (Penukonda): We have not said that there is no place for a court in this Bill.

Mr. Deputy-Speaker: We can say that the jurisdiction of the courts is barred in any particular matter.

An Hon. Member: On a point of information, Sir. As Mr. Swamy has suggested, what will be the position of gifts made within two years?

Mr. Deputy-Speaker: No gifts *bona fide* or *mala fide* will be recognised within two years.

Shri N. R. M. Swamy: That is the preamble with which I started. In the case of any gift made within two years, the question of *bona fides* does not arise at all. Automatically, it passes on death. The question of *bona fide* ceases to come in if it is within two years. But, if a man has made a gift before five or six years, and he dies tomorrow, then straightway it will have to be accounted for by his successor. The officer will simply say that it is *mala fide*.

Mr. Deputy-Speaker: Why would he say simply?

Shri N. R. M. Swamy: The executive officer cannot have that judicial mind to decide whether it is *bona fide* or not. Only the courts have such power and their decision will certainly be...

Mr. Deputy-Speaker: Therefore, the amendment is what?

Shri N. R. M. Swamy: "unless the court otherwise determines the *bona fides* of the disposition on a suit filed by the aggrieved party within six months of the determination of the *mala fides* of the gifts."

Shall I continue Sir?

Mr. Deputy-Speaker: I thought he would be closing. Very well. He may continue.

Shri N. R. M. Swamy: Therefore, the court's jurisdiction cannot be ousted, and I hope that this amendment will be accepted by the Finance Minister.

One other point which I wish to state is this. This Bill only refers to the gifts, and also, as you have rightly stated, gifts made *benami* with a view to evade the duty payable. Supposing a man before death disposes of property worth a lakh of rupees for a song, say for Rs. 100 nobody can raise a question about the alienation of the property. Outright sale does not come under the purview of this Bill. If he sells away property which is worth one or two lakhs of rupees for about Rs. 10,000...

Shri U. M. Trivedi: Rupees one hundred.

Shri N. R. M. Swamy:...or even Rs. 100, his successor will be answerable only for Rs. 100 because that is the money left by the deceased.

Mr. Deputy-Speaker: Can they not say the sale itself is *mala fide*?

Shri N. R. M. Swamy: The sale does not come under the purview of clause 9.

Mr. Deputy-Speaker: Merely because it is called a sale, does it become a sale? It will continue to be a *mala fide* gift.

Shri N. R. M. Swamy: That will be outright sale. This only speaks of gifts.

Mr. Deputy-Speaker: I do not know if the hon. Member is a practising lawyer. Whoever looks into the interpretation of law knows—merely because a particular document is called by a particular name, does it become such? A mortgage cannot be called a sale, and sale a mortgage. The substance of the documents will be gone into. Therefore, even if it is called a sale, if property worth a lakh of rupees is given for Rs. 100, that is virtually a gift, a *mala fide* one if it is made within two years.

Shri N. Somana: May I point out clause 25? Clause 25 covers that position which the hon. Member has taken up now.

Shri N. R. M. Swamy: I will give another illustration. Supposing a particular man gives away free to Government by way of gift, of course *bona fide,* with a view to disinherit his own son. That is *mala fide*, because with a view to disinherit his own son he gives away his entire property to the Government. In that case, his son will certainly have this remedy of going to the court and saying: "He has given the property to the Government with a view to disinherit me".

Mr. Deputy-Speaker: He can do anything with his property, if it is only his property.

Shri N. R. M. Swamy: I am only sayiny with regard to that. Therefore, the question of *bona fides* should be determined not by the executive officer, but only by the court. I hope the Finance Minister will accept my amendment as otherwise we will be nowhere, and every individual will be certainly placed in an awkward position, because even if the gift had been made five or even ten years before, the question arises immediately after his death. This comes into operation when the gift has been made some ten years back. The donees or the beneficiaries may have transferred the property to a third party.

Mr. Deputy-Speaker: Hon. Member wants *prima facie* that if it is an old gift, beyond five or six years, it ought to be accepted as a gift unless it is proved to the contrary.

Shri N. R. M. Swamy: Let them say that it is *mala fide*. Still the court has to determine. The aggrieved party must have the right to go to a court and say that it is not *mala fide* but *bona fide* and in his favour, and that must be done within six months after the determination is given, and if it is communicated to him, he can go to the court and seek remedy. If that is done, the people will be on safer ground.

I request the hon. Minister to accept my amendment.

Mr. Deputy-Speaker: The House will now stand adjourned till 8-15 A.M. tomorrow. Tomorrow afternoon there will be a sitting from four O' clock.

The House then adjourned till a Quarter Past Eight of the Clock on Saturday, the 5th September, 1953.